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THE INDEPENDENT

TUESDAY 17 NOVEMBER 1998

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Kitchen sink drama

THIS STUDENT LIFE, PAGE 8

Andrew Neil's Fleet Street

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SPECIAL OFFER

Two for one Caribbean flights

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IN THE TUESDAY REVIEW + HEALTH

FA is called in over 'missing' transfer fees

THE FOOTBALL Association has been asked to launch an inquiry into the transfer of the first two Chinese professionals to play in England after an investigation by *The Independent* uncovered a £400,000 shortfall in the deal.

BY STEVE BOGGAN

amount expected by the Chinese football authorities. The pair of Chinese players joined Palace after Terry Venables, the former England coach, was appointed manager in June.

Mr Goldberg, who is to raise the matter at a board meeting today, said last night: "We are disturbed to learn that there is apparently a major discrepancy between the transfer fee, which we agreed with officials of the Chinese FA in London, and the amount which the Chinese FA in Beijing are said to be expecting. As a result, we have launched an immediate inquiry and have asked the English FA to assist us."

The *Independent* has established that the difference cannot be accounted for by normal levels of agents' fees - usually about 10 per cent. The Chinese authorities said that their European agent, Greatgate Overseas Development Ltd, known in China as Gaode, was to be paid 10 per cent from their £1.5m.

Mr Goldberg said the only English agent involved, Tom Lawrence, had been paid just £25,000 plus VAT for introducing the players and helping with their work permits - a sum separate from the transfer fee. However, Mr Lawrence had said earlier that neither he nor his company, Strata Sports Marketing Ltd, was involved in any way. In spite of repeated requests for clarification, Mr Lawrence has failed to explain the club's insistence of his involvement.

When told of the £400,000 gap, Mr Venables, who has no role in the financial management of the club, replied: "Well, thank goodness transfers have nothing to do with me any more - I am just the coach. You will have to talk to the chairman about it."

Liu Shijun, the official Chinese representative in the deal, whose Greatgate company is based in Brondesbury, north-west London, refused to discuss the transfer fees. He said that a confidentiality clause had

been written into the contract. Peking-born Mr Liu has been forging links between Chinese and Western clubs since 1994, when football in China became professional. In 1996, he arranged a tour of China and Hong Kong by the England team during Mr Venables' tenure as national coach. Arrangements at the English end were made by Mr Lawrence's company. Mr Liu also knows Ted Buxton, Mr Venables' assistant at Crystal Palace, who for 14 months was Chinese national team coach.

There is no suggestion that anyone involved in the transfer deal behaved improperly. The chairman of Shanghai Shenhua, Yu Zhifei, said his club had agreed a transfer fee of \$800,000 for Fan. Other sources in China and the UK said Dalian had agreed \$700,000 for Sun. The first of four instalments has been paid to the Chinese FA.

Cash riddle of China's star players, page 4

Blair turns the screw on Saddam

A SHIFT of policy to topple Saddam Hussein has been agreed between President Bill Clinton and Tony Blair, it emerged last night.

Mr Blair yesterday fell into line with the tough message from Washington that the aim of US and British policy should be to remove the Iraqi leader from power, a shift from the previous emphasis on containing the threat from Iraq.

"We are looking with the Americans now at ways in which we can bolster the opposition and improve the possibility of removing Saddam Hussein altogether. I entirely share the sentiments President Clinton expressed on that point," the Prime Minister told MPs.

The two leaders were due to have more talks by telephone last night. Officials in London said the help for the Iraqi opposition would focus on propaganda, and broadcasting criticism of President Saddam's regime in Iraq. America has already set up Radio Free Iraq in Prague to broadcast news and propaganda to Iraqis.

There could also be a fresh blockade of oil shipments in the Gulf, following evidence that

BY COLIN BROWN
Chief Political Correspondent
AND ANDREW MARSHALL
in Washington

President Saddam is earning precious dollars to sustain his position by busting sanctions with extra oil sales.

Politicians in Washington and London said that as long as President Saddam remained in power, the threatened use of chemical or biological weapons in the Middle East would remain. But efforts to arm the opposition factions would represent a highly dangerous strategy, they added.

Both the Central Intelligence Agency and British security services have previously given assistance to the Iraqi opposition in its efforts to topple Saddam, but the results have been half-hearted and have had catastrophic results. Right-wing Republicans in the US Congress want to step up this strategy, and pushed through \$97m (£58m) in support for the Iraqi opposition earlier this year, including a provision that could allow surplus US military equipment to be used.

The London-based Iraqi National Congress (INC), one of

the main opposition groupings, welcomed the British and American initiatives.

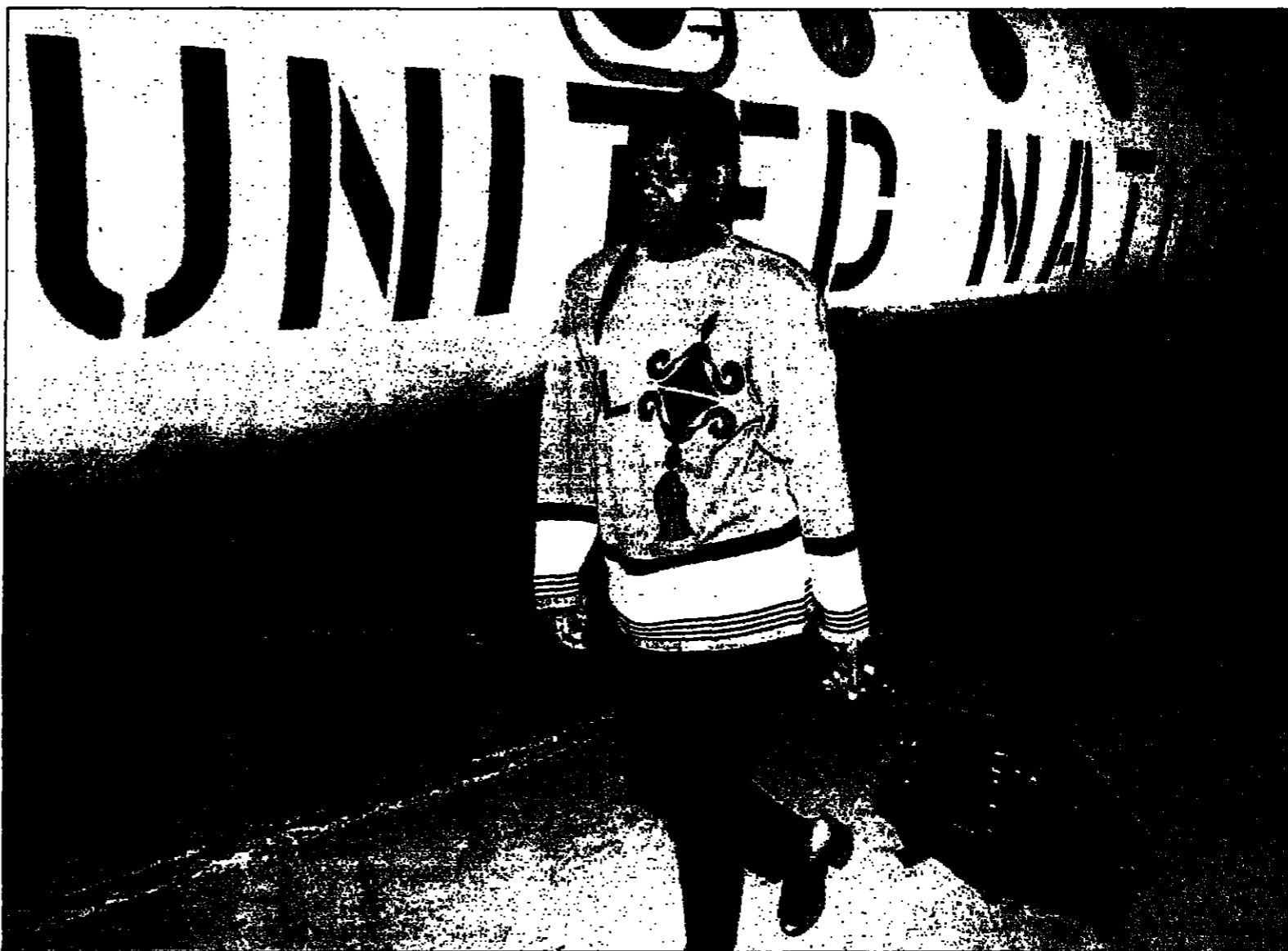
"We are certain that the Iraqi people will take heart from President Clinton's statement and are ready to take up that responsibility," said a statement.

Ahmed Chalabi, the head of the INC, was in Washington yesterday to gather support for his group's efforts to overthrow President Saddam.

"We need some resources and political support but the primary responsibility for liberating Iraq falls on the Iraqi people," he said. However, both Britain and the US have reservations about Mr Chalabi, and have backed other groups as well as the INC at different times.

Any move to overthrow President Saddam would cause widespread unease in the Middle East and among America's allies, and yesterday France was quick to criticise the effort. "It is not in the French political and diplomatic tradition to announce such plans for interference and action," said the Foreign Minister, Hubert Vedrine. "France insists on respecting Iraq's sovereignty, territorial integrity and political independence," said a French foreign ministry statement.

Mr Blair warned that if there were more breaches of the fresh undertakings by Iraq, force would be used without warning. He also revealed how close British forces had come



A UN aid worker arrives back in Iraq last night, after evacuation to Jordan last week amid fears of a US-led air strike

Jamal Saidi

British Steel sacks 1,600 and warns of recession

BRITISH STEEL warned the Government yesterday that the economy is heading for a full-blown recession, and said it would have to scrap at least 3,000 jobs this year.

The company, still regarded as a bellwether of British industry, also warned that it may have to order a complete shut-down of its four main plants, in South Wales and on the North-east coast, over Christmas.

The gloomy prognosis contrasted with a keynote speech by Tony Blair last night in which he strongly defended his strategy and proclaimed Labour as "the natural party of economic competence".

In his speech to the Lord Mayor's banquet at Guildhall in London, Mr Blair insisted that the Government was "not the slightest bit complacent" about

BY MICHAEL HARRISON
AND ANDREW GRICE

job losses, but added: "We are firm. We need hard-headed realism here, a sense of perspective about the present, and real determination about the future."

He sought to underline his commitment to sound finances, saying: "Nothing matters more to me than our ability to manage the economy."

British Steel said profits slumped by 25 per cent in the first half of this year, and a combination of the strong pound, a collapse in prices, faltering demand and a surge in cheap imports are likely to push the company into a loss for the full year.

Sir Brian Moffat, the chairman, contested the forecast by



the Chancellor, Gordon Brown, that the economy would grow by 1 to 1.5 per cent next year. He said that manufacturing industry was already in recession and that the rest of the economy was likely to follow suit.

"We will be lucky if we are not in a minus situation next

year," he said, referring to economic growth.

The British Steel chairman is the second senior industrialist to dispute the Chancellor's optimistic forecasts in recent days.

Last week the chief executive of British Telecom, Sir Peter Bonfield, said that growth next year was likely to slow to between zero and 1 per cent. British Steel axed 2,000 jobs last year and a further 1,400 in the first half of this year. But it has been forced to accelerate the job-cutting programme and the indications are that at least 1,600 jobs will go in the second half of the year from the company's 47,000 strong workforce.

The company also warned that compulsory redundancies were now likely.

Outlook, page 21

Hague to get a makeover

CONNOISSEURS OF naftness will mourn their passing, but the days of William Hague wearing a baseball cap or grooving on down at the Notting Hill Carnival appear to be over for good.

In an attempt to rid the Tory leader of his "young fogey" image, a senior editor of the men's fashion bible, *GQ* magazine, is to be appointed as his personal style consultant.

John Morgan, associate editor at *GQ* and editor of *Debut's Guide to Etiquette and Modern Manners*, will advise Mr Hague on every aspect of his dress sense and public conduct.

The appointment of Mr Morgan, 38, described as a "Burlington Bertie" character for his immaculate appearance, is the latest move in the drive to improve the Tories' image. Advisers believe Mr Morgan will act

BY PAUL WAUGH AND SARAH SCHAEFER

as a gentle brake on style crimes as the Tory leader attempts to appear both statesmanlike and in touch with today's youth.

News of the post came as the Tories' Creative Forum think-tank met yesterday for the first time to discuss how to rebrand the party. The idea of the party vice-chairman and former Asda boss, Archie Norman, will look at plans to swap the traditional Tory attachment to the colour blue with a mixture of purple, turquoise and green.

When questioned about his appointment, Mr Morgan remained true to his own edict on loyalty and good manners. His office said: "He doesn't discuss his clients."

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Animal testing banned – but for the victims the change is only cosmetic

BY JOHN DAVISON

REJOICING THROUGHOUT the animal rights world over the government ban on testing cosmetic ingredients yesterday was tempered by the knowledge that this will only affect a tiny percentage of all animal testing, and could simply move the problem abroad.

Cruelty-conscious shoppers looking for a new tube of foundation cream today can be no more certain that their chosen product has been developed without the use of animals than they were before the ban came into effect, campaigners say.

"The fact remains that this is not going to stop the vast majority of products on the shelves being animal-tested," said Mike Baker, chief executive of the British Union for the Abolition of Vivisection (BUAV).

Home Office statistics for show that of the 2.64 million "procedures" carried out in Britain on animals last year, which resulted in the deaths of the most involved, only 1,266 related to testing cosmetics or their ingredients. Testing in the areas of genetic engineering and defence research, meanwhile, are growing dramatically.

The immediate problem for the campaigners is that British-based cosmetics companies already buy most of the ingredients for their products abroad, where the ban does not apply. Those carrying out their own testing in the UK can now have the work done in any number of European laboratories.

It is estimated that more than 30,000 experiments to test cosmetic products were carried out last year in European Union countries, of which about 27,000 took place in France alone.

In addition France, together with the United States and Japan, are the bases for the largest companies, such as L'Oréal, Procter & Gamble and Shiseido, which make most of the cosmetics on sale in this country. These are the countries where most testing takes place.

The British ban came into effect with the announcement yesterday that the companies

The 2.57m animals experimented on last year

Species	Number
Mice	1,119,542
Rats	1,119,542
Guinea Pigs	1,119,542
Sheep	15,378
Reproduction	11,562
Monkeys	8,144
Chickens	7,539
Cats	6,849
Dogs	5,891
Psychiatric	5,113
Permitted	2,679
Cats	1,833
Cats	1,148
Cats	591
Other	559
Other	188

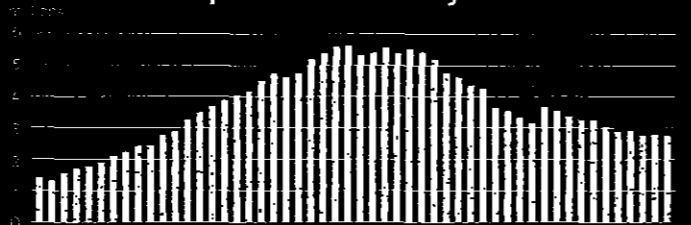
How they were used

Category	Percentage
Development of new drugs, products and appliances	6.1%
Development of new drugs, products and appliances	2.4%
Development of new drugs, products and appliances	35.8%
Development of new drugs, products and appliances	31.5%

What some animals experienced

Exposed to death	19,539
Exposed to death	19,539
Exposed to death	19,539
Exposed to death	19,539

Number of experiments each year



still holding licences to test animals for cosmetic purposes had voluntarily agreed to give them up. The Home Office will not be issuing any new licences.

Despite drawbacks, campaigners conceded that the move constitutes a major advance for their cause. "This is the first time that a whole class of testing has been stopped by government action because it is seen to be not worth the suffering involved," Mr Baker said.

Andrew Tyler, director of Animal Aid, agreed: "It is a very useful and important marker.

After years of the industry saying that these tests are necessary, it is now admitting that you don't need to do them."

Both said the argument would now also be moved abroad, and that campaigning would continue until a worldwide ban was achieved.

The next stage is to lobby the EU to strengthen regulations due to be introduced at the end of this month. At present, these will only ban animal testing on finished products, as was the case in Britain before yesterday. But hopes are that the Gov-

ernment will now be pushing for a tougher ban on ingredients as well.

"This would be extremely significant, because while it would be relatively easy for companies to move their testing to Europe, it would be far more expensive to take it all to the US or Japan," Mr Baker said.

If only from an economic motive this would encourage the development of alternative tests, and once these had been established as valid for cosmetics they could then be adopted in other areas which

currently rely on animal testing.

Ultimately, campaigners are agreed that the real power to effect change will come from consumers. To that end the first internationally recognised "cruelty-free" cosmetics symbols are being launched today backed by sympathetic stars, including Helen Mirren, and called The Humane Cosmetics Standard. The idea is that this will be stamped on products found to be free from animal testing at any stage after scrutiny by independent inspectors.

Other areas of animal testing, however, are less vulnerable to outraged consumers. Government figures show more than one-third of all animal tests currently being carried out in Britain are related to pharmaceutical and medical research and development. Almost another third was accounted for by "fundamental research", often carried out at universities and designed to increase understanding of animal biology.

While figures continue to show a downward trend – the 1997 total was 3 per cent down on the previous year – the area of genetic testing has shown a large increase as this technology has grown in importance. Experiments involving "genetically manipulated animals", for instance, numbered 352,732 – a rise of 64 per cent since 1995. "This is the new animal abuse for the 21st century. It seems that we are finding increasingly advanced ways to cause suffering," Mr Baker said. Figures for animal experimentation by the Ministry of Defence, are separate from those published by the Home Office and predictably shrouded in secrecy. Public outcry has followed the revelation of the widespread use of animals for testing ammunition, weapons systems and medical procedures. This includes shooting and blasting pigs, because of the similarity of their flesh to that of humans.

Statistics obtained by Animal Aid for the Porton Down research establishment show 11,221 animals were used in experiments in 1996, more than double the number used in 1992. Leading article. Review, page 3

Morton to tell 'Monica's Story' in six-figure deal

ANDREW MORTON, who wrote the biography of the late Diana, Princess of Wales, has found another subject – Monica Lewinsky.

Mr Morton has signed up with British publisher Michael O'Mara to write *Monica's Story* and tell her side of the events that threatened to topple President Bill Clinton. The deal, along with the rights to television interviews, will comfortably make Miss Lewinsky a millionaire and earn Mr Morton a six-figure sum.

The book will be based on exclusive and unrestricted access to Miss Lewinsky and her close family and is expected to detail her affair.

The publishing deal was the product of a "strong personal chemistry" between Miss Lewinsky and Mr Morton, Mr O'Mara said. "We put the two of them together in a New York hotel room last week, and she said 'yes' immediately."

BY ANDREW MARSHALL in Washington

said Mr O'Mara, the chairman of London-based Michael O'Mara books. "It wasn't the money, she could have got much higher prices elsewhere. She likes the idea of an author who is used to writing sympathetic books about women who have relationships with powerful men."

"Until now, Monica has been in a forced silence for legal reasons. But she is keen to give her version of the events."

Mr Morton, who lives in London, has already conducted some preliminary interviews with Miss Lewinsky for the book.

There are, of course, superficial similarities between the stories of Princess Diana and Miss Lewinsky. Both women found fame through romances with eminent men. But that is about as far as it goes. The



Morton: 'Strong personal chemistry' with Lewinsky

Miss Lewinsky's image has been ubiquitous for the past year around the world, making her heretofore a sweep of black hair a favourite costume for fancy-dress parties, but she is hardly the world icon that was Princess Diana.

Yet both turned to Mr Morton because they believed he would put their side of the story at a time when plenty of enemies had other tales to tell.

Miss Lewinsky's is also negotiating a high-paying deal for an exclusive television interview. Channel 4 has bid for an interview, although the *New York Post* said yesterday Miss Lewinsky has agreed to a US TV interview to coincide with the book's launch.

Landing the television and book deals quickly is regarded as vital for her to cash in before the official report by White House special investigator Kenneth Starr is published, possibly leaving her nothing new to reveal.

Trumpton fire brigade reunion

BY JANE ROBINS Media Correspondent

TRUMPTON'S Pugh, Pugh, Barney, McGrew, Cuthbert, Dibble and Grubb are to star in a new BBC promotion, conceived as the successor to last year's highly-acclaimed "Perfect Day" record.

The promotion will be launched this Friday during the corporation's Children-in-Need charity appeal, and is billed as "the biggest reunion in television history", bringing together decades of characters from children's programmes. Instead of being built around a single song, its core is the interaction of characters from different shows, from *Andy Pandy* and *Postman Pat* to *Noddy*.

In a historical television moment, the Trumpton firemen ap-



Scott Chisholm teams up with Noddy for the BBC film

pear on the same set with Douglas and Ermintrude from the *Magic Roundabout* and several inhabitants of *The Herb Garden* – a feat made possible through extensive reanimation. The video is anchored by

five-year old Scott Chisholm, the star of a butter commercial. Entitled "Future Generations", the promotion was made by the editorial team responsible for "Perfect Day", which was based on the Lou Reed song,

and included contributions from stars such as Elton John, Tammy Wynette and David Bowie. "Perfect Day" had required skilled handling of a number of delicate egos but, said the BBC, there were "fewer sensitivities" involved in bringing together the Woodentops, Pingu and Zebibee.

However, some childhood favourites missed out on a place in the film, with Ivor the Engine and Noggin the Nog both failing to win enough approval. Controversially, the Clangers were also excluded.

The promotion has been tested on focus groups of all ages. Strangely, young people claimed to be well-acquainted with Andy Pandy and Bill and Ben, even though they were not old enough to have seen them on television.

POLICE INTERVIEW TAPES SOLD TO PERVERTS. IS THE MET SO HARD UP?



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TV FROM THE HEART

Tories call for tax boost to marriage

WILLIAM HAGUE launched a new Conservative Party crusade for the family last night with a call for the Government to use the tax system to encourage marriage.

In a key policy U-turn, the Tory leader admitted that the former prime minister John Major was wrong to cut the married couple's tax allowance, but claimed that Labour had worsened the situation by ignoring taxation altogether.

By PAUL WAUGH
Political Correspondent

Speaking to the Conservative Christian Fellowship, Mr Hague also softened his party's traditional castigation of single mothers, yet insisted that "families need fathers" and that two parents were better than one.

He said that lone parents should be "respected" for their hard work in bringing up their children and that broken families were a fact of life for both the church and politicians. In a coded reference to the party's new tolerance of homosexuality, he also stated that those who led lives "very different from a traditional family pattern" should be free to do so.

Tax policy to aid and promote the family would now form a big part of the Tories' manifesto for the next general election, he revealed.

To combat the Government's stance on taxation, Mr Hague announced that his deputy leader, Peter Lilley, would head a new party task force on the family to tailor every area of policy to encourage marriage.

He claimed that the Chancellor, Gordon Brown, planned to abolish the married couple's tax allowance altogether and, as a result, end years of recognition of marriage within the fiscal system. Such a move would be "utterly wrong" as the state should not remain "neutral" about marriage and should instead promote it, he said.

Mr Hague said that it was baffling that the ministerial committee on family policy of Jack Straw, the Home Secretary, was expressly forbidden to consider how the tax system might be used.

In his most explicit comments to date on family policy, Mr Hague said that one of the

consolations of opposition was that the Tories were now "free to think" about such issues.

"Looking back, I believe that we were right to introduce independent taxation for men and women, but that we made a mistake in not coupling this with a system of transferable tax allowances between husbands and wives. With hindsight, too, we were wrong to make such significant cuts to the married couple's tax allowance without putting anything else in its place."

In a significant shift from his party's opposition to single mothers and gay couples, Mr Hague said that he would not condemn anyone who chose an alternative lifestyle. "In a free society, that is their choice, and tolerance is one of the hallmarks of a mature and decent society," he said.

However, it was incontrovertible that two parents were better than one and that children were hurt by divorce. "Families need both fathers and mothers... Government figures show how divorce and single parenthood have added to welfare dependency," he said.

"It is not for any politician to berate or condemn. The Conservative Party is not against single parents; it is strongly and unreservedly for the institution of marriage."

Political makeover: What do you do for a man with 'the dress sense of Ann Widdecombe'? A fashion editor writes

How do you make Hague stylish?

BELIEVE IT or not, William Hague is a young man. He is a man in his middle youth. Jigsaw's new label, Bailey, was designed by the 40-year-old Chris Bailey for men of his age group. If Bailey had the opportunity to dress Mr Hague, who, he says, is "not a bad-looking guy", he would transform him with the preppy look.

"I'd dress him in a button-down white poplin shirt, not buttoned to the top, worn over a white T-shirt with a black cashmere tanktop so that when he took off his jacket he would still look interesting. The cashmere would say something about the quality of the man." To give him a sharp and serious edge, he would put him in a pinstripe single-breasted suit and finish it off with a pair of Prada's latest moulded shoes.

But Mr Hague's fashion sense is as conservative as his politics. He has been more interested in his career than the label in his suit since he was a Young Conservative in the sartorially challenged 1970s.

He could use his nerdish image to his advantage. Look at Chris Evans: he has turned his pink complexion and ginger hair into a selling-point. By merely adding thick-rimmed specs he made himself an icon.

By TAMSYN BLANCHARD
Fashion Editor

Mr Hague could try the same tactic. He should start with his hair: keeping it a bit longer and dishevelled would give him a human, approachable look.

He needs to open his eyes - maybe tint his eyelashes while he's at it; it's all the rage - and look at his peers in the worlds of music, fashion and entertainment. Politics is no longer just about beliefs and policies; these days it's all about image. Politicians have to market themselves as a desirable commodity. They have to be able to appear on television chat shows as well as go on walkabouts and attend serious meetings. They have to sparkle and shine.

It is nothing to be ashamed of. Models and music people regularly have makeovers. Kylie Minogue has had more image changes than hit singles. And whenever Linda Evangelista felt her career was waning, she simply changed the colour of her hair and the million-dollar contracts would come piling in. The political makeover is more difficult to get right. Michael Portillo cannot escape his iron-man image, no matter how much he tries to soften his razor-edged suits and flatten his

hair. But Mr Hague could take a leaf out of Tony Blair's book. It would appear that to get on in Mr Blair's world all you need is a celebrity hairdresser and a hip tailor from New Seville Row. An Oswald Boateng or Timothy Everest bespoke suit would guarantee votes. Sadly, Mr Hague is strictly in the Ann Widdecombe school of dressing. She simply just doesn't care what she looks like. And until now, nor has he.

Even Barbara Follett, responsible for the New Labour New Image crusade, has got it wrong in the past. Her "lipstick is power" slogan will not do much for Mr Hague's look. Then again, if he were to adopt glittery glam-rock eyeshadow and eye-liner à la Michael Stipes of REM, he might win some respect from the pink vote as well as some credibility with those crucial under-25s.

Then again, maybe not. Ed Needham, editor of FHM, says Mr Hague has gone beyond the point of no return. "He should save his money... it's going to take more than a makeover. He needs a personality change. I think he's doomed. He's so deeply old-fogey he's just beyond fashion." So he'll never make the cover of FHM? "Not unless he had a sex change."



Mr Hague chilling out at Notting Hill Carnival, and in a pose that the image-makers may have to work on



NEW LOOK FOR OLD



Baroness Thatcher was transformed from a housewife to the Iron Lady with small, but crucial, makeovers. Out went bows and ruffled collars and in came suits, a new blonde hairdo and capped teeth. She lowered her voice an octave and mastered the art of the soundbite.



Neil Kinnock spawned the term "Folletting" after he engaged image consultant, and now Labour MP, Barbara Follett to give him and his shadow cabinet a makeover for the 1992 general election. His hair was given a crop and he was coached on a punchier despatch box style of delivery for TV.



Tony Blair has effortlessly adapted image advice to please all of the people all of the time. He is equally convincing wearing earthy suits for meeting the people to power dressing for the world stage. He now has a conversational style to include listeners and adopted a stammer to simulate spontaneity.

Burlington Bertie, master of modern manners



John Morgan: Discretion

ONE OF London's most dapper and affable style journalists, John Morgan is in many ways the perfect choice for William Hague as a politician's personal consultant.

The 39-year-old has worked at Condé Nast's GQ magazine since its launch nearly 10 years ago and is acknowledged as one of Britain's leading commentators on male fashion, social behaviour and lifestyle.

A frequent broadcaster on

By PAUL WAUGH

correct form and dress, his editorship of Debut's New Guide to Etiquette and Modern Manners has also established him as an authority on matters of taste. "Morgan's Modern Manners", his weekly column in The Times, gives advice to readers worried about whether a man should help a woman with her chair at dinner or how many kisses to give a stranger.

With an apartment in the Albany, the exclusive block off Piccadilly in central London that provides a pied-à-terre for Alan Clark MP and many other aristocrats, he certainly lives the life of gentle sophistication about which he regularly writes.

Mr Morgan, who is always immaculately dressed in a Saville Row suit and silk tie, is seen by friends as a "Burlington Bertie" figure from a bygone age, cashing cheques in

Claridges and living the life of a foppish English gentleman.

Yet his image as a friend to minor royals and the landed gentry belies a finely attuned business sense and he is believed to make substantial sums from advising leading companies and their directors on personal manners and style.

Nicholas Coleridge, who heads Condé Nast's British empire, is known to see Mr

Morgan as much as an ambassador for the company as a contributing editor.

One colleague at the publisher's Vogue House headquarters described him as a master of small talk and a consummate networker.

"To see him work a room is to see a real professional at work. He frequently tells his clients to turn themselves into a 'brand' and market themselves aggressively. That's ex-

actly what he has done himself," she said.

"By charming the right people at the right time, he has successfully turned himself into Britain's leading expert on male style and etiquette."

"He's certainly very much in demand by business and it is no surprise to see him linked to the Tories. The main thing about John is his sense of discretion. He wouldn't tell a soul about Hague's inner secrets."

INTEREST RATES WITH EFFECT FROM 17TH NOVEMBER 1998.

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Account Balance	Net % PA	Net % AER	Gross % PA	Gross % AER
Investment Account				
£100	0.40	0.40	0.50	0.50
£500	0.40	0.40	0.50	0.50
£1,000	0.40	0.40	0.50	0.50
£5,000	0.40	0.40	0.50	0.50
£10,000	0.40	0.40	0.50	0.50
Save & Prosper Investment Account				
£100	0.40	0.40	0.50	0.50
£500	0.40	0.40	0.50	0.50
£1,000	0.40	0.40	0.50	0.50
£5,000	0.40	0.40	0.50	0.50
£10,000	0.40	0.40	0.50	0.50
Premier Account				
£100	1.12	1.12	1.40	1.41
£500	1.12	1.12	1.40	1.41
£1,000	1.12	1.12	1.40	1.41
£5,000	1.12	1.12	1.40	1.41
£10,000	1.12	1.12	1.40	1.41
Classic Account				
£100	1.12	1.12	1.40	1.41
£500	1.12	1.12	1.40	1.41
£1,000	1.12	1.12	1.40	1.41
£5,000	1.12	1.12	1.40	1.41
£10,000	1.12	1.12	1.40	1.41
Corporate Account				
£100	1.28	1.28	1.56	1.57
£500	1.28	1.28	1.56	1.57
£1,000	1.28	1.28	1.56	1.57
£5,000	1.28	1.28	1.56	1.57
£10,000	1.28	1.28	1.56	1.57
Client Account				
£100	2.48	2.48	3.36	3.37
£500	2.48	2.48	3.36	3.37
£1,000	2.48	2.48	3.36	3.37
£5,000	2.48	2.48	3.36	3.37
£10,000	2.48	2.48	3.36	3.37
Sovereign 30				
£100	4.00	4.07	5.00	5.12
£500	4.00	4.07	5.00	5.12
£1,000	4.00	4.07	5.00	5.12
£5,000	4.00	4.07	5.00	5.12
£10,000	4.00	4.07	5.00	5.12
Save & Prosper Reward 30				
£100	4.00	4.07	5.00	5.12
£500	4.00	4.07	5.00	5.12
£1,000	4.00	4.07	5.00	5.12
£5,000	4.00	4.07	5.00	5.12
£10,000	4.00	4.07	5.00	5.12
Save & Prosper Fast-Track ISA				
£100	4.00	4.07	5.00	5.12
£500	4.00	4.07	5.00	5.12
£1,000	4.00	4.07	5.00	5.12
£5,000	4.00	4.07	5.00	5.12
£10,000	4.00	4.07	5.00	5.12
Asset 30				
£100	4.00	4.07	5.00	5.12
£500	4.00	4.07	5.00	5.12
£1,000	4.00	4.07	5.00	5.12
£5,000	4.00	4.07	5.00	5.12
£10,000	4.00	4.07	5.00	5.12
Tax-Free Account				
£100	4.00	4.07	5.00	5.12
£500	4.00	4.07	5.00	5.12
£1,000	4.00	4.07	5.00	5.12
£5,000	4.00	4.07	5.00	5.12
£10,000	4.00	4.07	5.00	5.12
Deposits NO LONGER OFFERED TO NEW DEPOSITORS				
Deposit Account				
£100	1.12	1.12	1.40	1.41
£500	1.12	1.12	1.40	1.41
£1,000	1.12	1.12	1.40	1.41
£5,000	1.12	1.12	1.40	1.41
£10,000	1.12	1.12	1.40	1.41
Higher Rate Deposit Account				
£100	0.40	0.40	0.50	0.50
£500	0.40	0.40	0.50	0.50
£1,000	0.40	0.40	0.50	0.50
£5,000	0.40	0.40	0.50	0.50
£10,000	0.40	0.40	0.50	0.50

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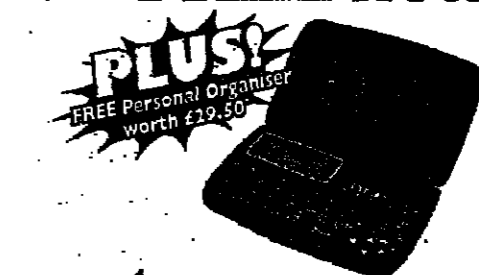
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A Welsh hill farmer with his sheep who should be helped by the compensation package announced by the Government

Brian Harris

Struggling farmers get £120m in aid

THE GOVERNMENT threw a £120m lifeline to Britain's farmers, yesterday, with a pledge to protect rural communities from the worst recession in agriculture since the Second World War.

Nick Brown, the Secretary of State for Agriculture, said that the emergency aid package would offer extra compensation to livestock farmers hit by the beef ban and poor weather this summer.

In a long-awaited statement to the House of Commons, Mr Brown announced that £48.3m in extra compensation would be given to beef farmers hit by the collapse in trade following the

BY PAUL WAUGH
Political Correspondent

BSE crisis. A further £80m would be spent on increasing compensation to hard-pressed hill farmers, while the Calf Processing Aid Scheme, which helps farmers kill their calves to prevent a glut on the beef market, will be extended at a cost of over £10m.

More than a third of the package will be funded by the European Union, with the rest coming from Treasury reserves.

Mr Brown told MPs that all farming sectors, but particularly the livestock sector, had been hit by the collapse in European, Russian and Asian markets. In recognition of these "extremely difficult circumstances", Chancellor Gordon Brown and Treasury Chief Secretary Stephen Byers had taken the exceptional decision to allow access to the reserve. The package, which comes on top of £150m worth of assistance already announced by the Government, follows months of protests by farmers.

Mr Brown said that his next task was to persuade the EU to lift the export ban on British beef. He would spend the rest of this week talking to his counterparts across Europe to prepare for a decision by the Council of Ministers at a meeting on the topic next week.

The Tories' Agriculture spokesman, Tim Yeo, welcomed the announcement, claiming it was in line with his party's demands for assistance.

But the measures were "necessary palliatives" and treated the symptoms rather than the causes of the problems, he said. "The reason this second farm rescue package in a year is needed, is because of the downturn in farm incomes, like the downturn in the whole economy, was made in Downing Street," he added.

Mr Yeo claimed that farm incomes had dropped by £2bn and that the new package would be worth less than £2,000 to each of the 60,000 UK farms in less favoured areas.

The National Farmers' Union gave the package a warm welcome and praised Mr Brown for gaining Government assistance at a time of tight budgets. Ben Gill, the NFU president, said the money would provide a "much needed injection". But he added: "This package itself cannot cure all the ills of farmers, particularly in the pig sector. We need continued Government and Bank of England action to put downward pressure on interest rates and sterling, particularly against EU currencies."

Leading article, Review, page 3

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Dismembered man identified

THE MURDERED man whose leg and intestines were found in shopping bags in a Yorkshire forest last week was yesterday identified as Nissar Ahmed, a father of six, but police still have no clues about the motives behind his gruesome death.

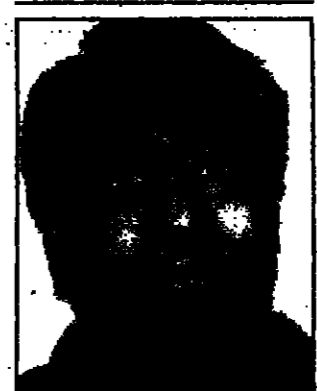
Family members, who speak little English, identified Mr Ahmed by a burn mark on the discarded leg, which was packed into two carrier bags and thrown into a forest from a remote back lane near Brierfield, a village near Dewsbury, West Yorkshire. The rest of his body has not been found.

Mr Ahmed, 34, who owned a curry house in Holmfirth, West Yorkshire, was last seen on Thursday night when he dropped off two friends he had met after closing his restaurant. Police said yesterday that a nationwide hunt was under way, but they remained mystified about the possible motives for the murder and disembowelling. "It is truly horrific. To think a human being could do such a thing to another human being is totally gruesome," said Detective Superintendent Graham Sutherland, who is leading the inquiry.

The leg was found in Aldi and Netto carrier bags on Friday morning by a policewoman walking her dog.

The events in the lead-up to the killing were quite normal. After closing the Sultan, his restaurant, on Thursday night,

BY ESTHER LEACH



Mr Ahmed: Motive for his horrific murder unknown

Mr Ahmed picked up two friends from the takeaway they owned in nearby Skelmanthorpe. He dropped them at their homes in the Manningham area of Bradford, minutes from West Bowling, where he lived, between 12.30 and 1am. Some time after that, he was killed.

He was not reported missing until several hours after the shopping bags were found, because his family thought he had been staying with friends.

Villagers in Brierfield are understandably shocked. "It's a sleepy village and really no one knows we are here," said Beryl Lodge, 53, who manages the local pub. "This has had quite an effect on us all. No one knows if there may be more body parts scattered around."

IN BRIEF

Noye to fight extradition

KENNETH NOYE, the man wanted in Britain for questioning over the fatal stabbing of a man on the M25 told a court in Madrid that he would fighting efforts to extradite him from Spain. Mr Noye, 51, said he did not want to return because he would not receive a fair trial over the 1996 stabbing of Stephen Cameron, 21, at Swanley, Kent.

Men jailed for mid-air brawl

A DRUNKEN man who head-butted a fellow air passenger was yesterday jailed for a year. Anthony Psala, 61, of Worcestershire, drank whisky because he was petrified of flying. Warwick Crown Court heard. His son Roy, 27, was also jailed for a year for his part in the fracas on board the flight from Birmingham to Malta on 7 April.

18 years for 'tunnel' drug smuggler

AN INTERNATIONAL drugs smuggler, who was arrested when his heroin-packed lorry proved too tall for London's Blackwall Tunnel, was jailed for 18 years yesterday. Hamid Shamsollahi was found with £7.28m of high-quality heroin in February when his truck became wedged in the tunnel.

Waterworks for Pooh Bridge

COUNCILLORS in an East Sussex village are looking at ways of raising the water level at the famous tourist attraction, the stream under Pooh Bridge. The rivulet in Hartfield where A.A. Milne's Winnie the Pooh and friends played "Pooh Sticks" has been reduced to a trickle.

24 Nov 1998

Girl wins record £3.9m damages

A TEENAGER has won a record £3.9m settlement in the High Court after routine surgery to remove a birthmark left her severely brain damaged.

Helen Edwards was just five when she underwent cosmetic surgery at the private Hope Nursing Home in Cambridgeshire to remove a strawberry birthmark on her forehead. But she suffered complications from the anaesthetic, which led to cardiac arrest and permanent brain damage.

Now 17, she was left blind and unable to crawl, feed or talk. But after years of help from her parents, Roger and Brenda, and volunteers from their village of Elmsett, near Hadleigh in Suffolk, she can see again and has recovered some movement.

Daniel Brennan QC, representing the family, told Mr Justice McKinnon that the £3.9m settlement was "an enormous amount of money - the largest amount awarded against any individual doctor so far".

The previous highest award, £3,281,199, was made last month to Sam Mansell, who had been severely disabled during a Caesarean section in 1987.

Mr Brennan said Helen's circumstances were "truly tragic". She was a normal five-year-old who went to her local hospital to have a small birthmark removed in what should have been a minor operation.

BY GARY FINN

Mr Brennan told the judge that Helen's parents were never prepared to accept that her future "was very bleak indeed". He said they engaged volunteers and professional help in a training programme that lasted five years.

"The result was that she became aware and responsive and happier than at any time in the past."

Although doctors said there was no hope, her sight gradually returned and she was able to utter the words "mum" and "more" by the age of 10.

The consultant anaesthetist, Dr Thomas Ogg, admitted liability in 1994, but it has taken years for the family to be awarded the amount of money needed to provide Helen's care regime.

Mr Edwards said after the hearing: "This legal battle has taken a quarter of our lives, so we are very thankful that it is over at last."

He said they had been encouraged by experts that "Helen deserves a quality of life, not just nursing or institutional care".

Mr Edwards said £3.9m "will seem like a lot of money to most people, but Helen must pay others to facilitate her every activity, 24 hours a day".

He added: "Every penny of the award is needed to provide the quality of life which Helen



Helen before the 'routine' operation

deserves. As her parents, we will continue to work hard to ensure the money lasts to provide as happy and fulfilling a life for her as possible.

"The settlement is welcome

for the security it brings to Helen's future, but the fact is that we would rather have our daughter back as she was, rather than all the money in the world."

The family's solicitor, Sandra Patton, said the settlement was so large because Helen's disabilities were permanent and so severe. The judge approved a payment from the settlement of £150,000 to the parents, who had sacrificed their careers to devote their time to their daughter. Mr Edwards gave up his job as a BT research technician and his wife her accountancy career.

Stephen Miller QC, representing Dr Ogg, said: "I would not like it thought that this award will become a benchmark for damages of this type. This is a unique case and that is why the damages are so great."



Helen Edwards, now 17, who was awarded a record £3.9m settlement

Allan Donohoe

THE BIG PAYOUTS

LITIGATION SOAKS up enough money to build at least four new hospitals every year and last year the NHS paid £235m in court settlements.

Helen Edwards' £3.9m settlement is now the highest. The previous highest was £3,281,199 made to Sam Mansell last month. He suffers from cerebral palsy after being starved of oxygen during delivery in 1987 and requires round-the-clock attention. Other major awards have included:

■ Lesley Wildsmith suffered cerebral palsy at birth in 1974 because doctors failed to realise her mother was carrying twins. She is expected to be awarded up to £2m next year after the health authority admitted negligence.

■ Surviving twin Warren Dyer was awarded £1.85m this June after being starved of oxygen at birth. His brother was stillborn during the delivery in 1982.

■ Christopher Firmin, 12, was awarded £2.35m against the Ministry of Defence in July after being starved of oxygen at the British Military Hospital in Hanover in 1986. He has cerebral palsy and needs 24-hour care.

■ Peter Pearce won £2,325,000 damages after the unnecessary use of forceps during his birth. Despite being confined to a wheelchair and needing constant care, he gained a degree in psychology at Nottingham University in 1993.

■ Student Catherine Roberts won a £100,000 out-of-court settlement after doctors allowed her to go without food for more than two months because they believed she was going to die after suffering a brain haemorrhage.

Prison agrees to consider plight of baby

THE PRISON Service is to reconsider the plight of an inmate refused a place in a mother and baby unit and, in a move with far-reaching implications for women in jail, plans to review its policies and procedures in such cases.

In a climbdown at the Court of Appeal in London yesterday, the Prison Service agreed to reassess the woman's application and to give primary consideration to her baby's interests.

The 24-year-old inmate, who cannot be named for legal reasons, had faced separation from her two-week-old daughter. She was denied a place in the mother and baby unit at Holloway prison, north London, because of her "unpredictable" and allegedly violent behaviour.

In what became a test case on the rights of mothers to keep their children in prison, she challenged that decision through the courts, saying it was unfair and unlawful. Her lawyers have argued that the violent incidents in which she was alleged to have been involved were disputed, and that the original admissions board did not call relevant witnesses.

Yesterday, midway through an appeal against a refusal by the High Court to grant her judicial review, lawyers for the Prison Service offered to set up a new admissions board to reconsider her application this week.

Nicholas Adams, the woman's solicitor, visited her in hospital after the hearing and said later that she was "extremely pleased" about the development. The new board will

BY KATHY MARKS

be differently constituted, with a chairman from outside Holloway and representatives from two other prisons with special facilities - Styal in Cheshire and New Hall in West Yorkshire.

If she is not given a place at one of the units, her baby will be taken into care. But Mr Adams said that if she was rejected for the same reasons, her lawyers would return to court.

Yesterday, after Lord Justice Brooke, sitting with Lord Justices Evans and Ward, voiced concern about the procedures followed in such cases, Kenneth Parker QC, counsel for the Prison Service, said that a review of the system was "in hand" as a result of the case.

The three judges made clear that "primary consideration" should always be given to a child's welfare, although it had to be balanced against the need for "good order and discipline" in the special units.

A shake-up aimed at heading off further challenges is likely to result in more women who give birth in prison being allowed to keep their children. However, there are only 68 places in units in England and Wales.

Frances Crook, director of the Howard League for Penal Reform, welcomed the outcome of yesterday's hearing. "It does not set a legal precedent, but it sets a practical precedent... The message must go to the courts: don't send pregnant women to prison because the prisons won't be able to cope," she said.

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Peers take issue with a most un-suitable tradition

IN THE House of Lords they were debating the issue of Derry's trousers, after Earl Ferrers (no wig, and broad pinstripe suit) had urged his colleagues not to assent to the Lord Chancellor's shocking suggestion that he should be allowed to come to work in a suit.

Allowing Lord Irvine to join the rest of the peers in the 20th century, or the late 19th if he is to take fashion notes from some of the older members, would be a "retrograde step", he warned. The temporal logic of this wasn't entirely clear at first: had the amendment before the House been suggesting that the Lord Chancellor turn up in slashed

doublet and silver filigree codpiece, then you could perhaps understand the phraseology.

But what Earl Ferrers really meant was that his dress was admirably retrograde as it was, and any attempt at forward motion should be impeded. The Lord Chancellor wasn't just another functionary, he argued, he was a constitutional mascot and his proper place was propped in the middle of the Upper Chamber's dashboard. This is a perfectly respectable argument if you have a fondness for tradition (and for some reason that escapes me, many of the hereditary peers are slavish in their devotion to

the principle). What's more it can be neatly turned against Lord Irvine himself. If the Lord Chancellor was "so punctilious" about the historical authenticity of his own apartments, Earl Ferrers pointed out, surely he should be equally respectful of sartorial traditions in the House of Lords? I left the debate as Lord Lester was trying to establish whether the Lord Chancellor's knee-breeches and wig represented a "dignified" or an "efficient" element of the constitution, an allusion to Walter Bagehot's famous distinction between the bits that dazzle and the bits that actually do something. In the Commons, the Prime Minister

THE SKETCH



THOMAS
SUTCLIFFE

Irvine was making a statement about Iraq and I couldn't help but carry the question over from one chamber to the other. Are such occasions "dignified" or "efficient"? They certainly have their own solemnity when the matter in question is the last-minute averting of military action. But they are also important for the House's notion of its own dignity — the increasingly doubt-nibbled idea that it plays a supreme role in the government of the nation.

MPs like to have the Prime Minister come to the despatch box to tell them what's been going on, even if his presence there is largely ceremonial, because it bolsters their sense of themselves as an inviolating body. And, once he's actually decided to turn up, Mr Blair is good at ministering to their vanities. But yesterday there was a sense that the formal courtesies had a larger purpose, Mr Blair wanted to send a message about British unanimity of purpose, and he got his way.

There were some wistful questions from Tory members, provoked by American hints that they wished to "bolster the opposition" in Iraq, a phrase that clearly conjures fantasies of snipers drawing Saddam moustaches on watermelons in preparation for a bit of firing practice. But the only real opposition Mr Blair faced came from behind him, from where Tony Benn invited him to admit that there was no possibility of getting the UN

to agree to the use of force. Mr Blair took this in his stride, but it seemed to rattle Gerald Kaufman, who rose a few minutes later to utter out a denunciation of those who had visited Iraq to "get their skins tanned and their noses brown".

I don't think this sally was aimed at Mr Benn, who is impeccably pallid, but at George Galloway, a man with the burnished lustre of a television travel journalist and very little time for the threat of force. I don't know whether he's recently visited Baghdad, but if not, he has been doing intensive research work in preparation for the Solarium and Sunbed Operators Regulation Bill.

Lib-Lab deal 'will not go any further'

PADDY ASHDOWN promised the Liberal Democrats last night he would not edge the party any closer to Labour before the next general election. In an attempt to reassure his critics, Mr Ashdown said he saw his decision to extend the remit of the cabinet committee that includes senior Lib Dems as "the last step" of his strategy of "constructive opposition" before the next election.

Mr Ashdown's pledge came in a briefing note to MPs and party activists ahead of a tricky meeting of its federal executive last night. He also ruled out a Lib-Lab coalition before the election as "inconceivable".

His "thus far no further" statement contrasted with Tony Blair's comment that there were "no limits" to co-operation after the two leaders extended the cabinet committee's work from constitutional reform to other policy issues.

But Mr Ashdown's internal problems were compounded yesterday when Jack Cunningham, the Cabinet's "enforcer", cast doubt on his claim that Mr Blair would hold a referendum

LIBERAL DEMOCRATS

BY ANDREW GRICE
Political Editor

on proportional representation before the next election. "I am not sure why he sounds more confident on that," Dr Cunningham told BBC Radio. "That has not been decided."

Cabinet sources said that while Mr Blair had not ruled out an early referendum, he would call one only if he believed he could persuade the public to back electoral reform. The betting in the Cabinet is that it will not take place before the election.

Writing in today's *Independent*, Mr Ashdown insists that voting reform has now been given a "fighting chance" by the Prime Minister. Defending further co-operation with Labour, he says the Lib Dems now have a great opportunity to give the case for reform momentum "by practising the kind of politics we preach".

Mr Ashdown insists he has not signed up to supporting "vast swathes of social policy". Instead, his party would try to

negotiate limited, formal and tightly controlled areas in which it could work with the Government.

He told last night's meeting of the Lib Dem executive: "This is not about pulling our punches. We will oppose vigorously where we disagree with the Government."

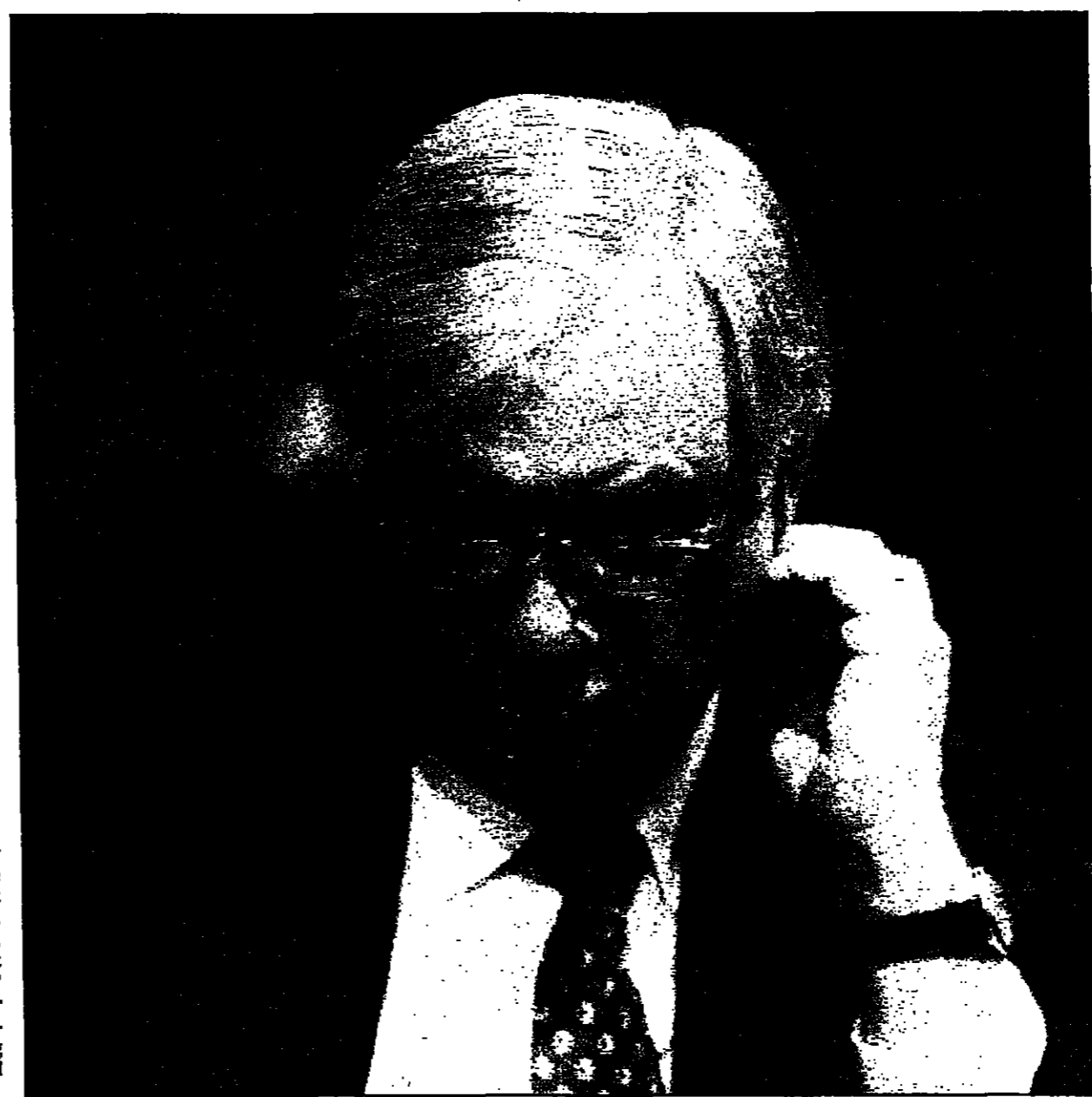
But Mr Ashdown faced criticism over his failure to consult his party before announcing the new Lib-Lab deal last week.

Ruth Berry, a member of the executive, said: "This may be a step too far. There will be a lot of people who are very upset and very angry, particularly about the way it happened."

Although it was right to stay in the cabinet committee, she added: "I am concerned about widening into other areas such as health, education and welfare, where we have very different policies from the Labour Party."

Keith Kerr, another member of the executive, said: "I am terribly concerned for the long term future of this party and where it is leading to."

Paddy Ashdown, Review, page 4



Chris Patten, the former governor of Hong Kong, before addressing business leaders at a conference on the future for the Asian Pacific countries held at Centre Point in central London yesterday

Mark Chilvers

THE HOUSE



PR goes back

JACK STRAW, the Home Secretary moved yesterday to overturn the Government's third defeat by peers over "the closed-list" system of proportional representation to be introduced under the European Parliamentary Elections Bill. In a "constitutional ping-pong", the Bill will go back to the Lords today.

Reform lashed

THE GOVERNMENT'S welfare reform programme was branded a "directionless shambles" by Tories yesterday after Alastair Darling, Social Security Secretary, said during question time that the Working Families Tax Credit was costing taxpayers £1.5bn more each year.

Today's Business Commons: 2.30pm

■ Questions on Environment, the Regions and Transport

■ Debate on Modernisation of Commons Select Committee report on scrutiny of European business

■ Debate on appointment of new Parliamentary Commissioner for Standards

QUESTIONS AND ANSWERS

Bridge toll rises

TOLL CHARGES for cars using the Severn Bridges are to rise from £4 to £4.20 from 1 January next year, Glenda Jackson, the Transport minister, said.

'Green' report

ENVIRONMENTAL costs and benefits are to be included in cabinet papers and ministers responsible for "green" initiatives will have to report regularly and produce an annual report detailing progress made, John Prescott, the Deputy Prime Minister, announced.

Jet-ski curbs

THERE WILL be tougher laws to control jet-skis, including more power for local authorities to create exclusive bathing zones, Glenda Jackson promised in a written reply.

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Alastair Campbell's salary hits £91,000

ALASTAIR CAMPBELL, the Prime Minister's press secretary, is to receive a 2 per cent rise to £91,014 a year as part of the annual uprating of pay for spin doctors across Whitehall. Jonathan Powell, the Prime Minister's chief of staff, will get the same amount from 1 December.

Keith Hellawell, the former chief constable who became "drugs tsar", is the highest-paid Whitehall adviser, and will earn £106,057 a year.

Mr Campbell joked about his pay rise.

"I don't know how much I get paid. I hand it over to Fiona (Miller, his partner)."

The Cabinet Office sought to play down the size of the awards to other spin doctors in ministerial offices, insisting that they were in line with the 2.5 per cent inflation target, which the Chancellor has urged the public-sector pay review bodies to meet in the winter awards.

But restructuring of the pay

SPIN DOCTORS' PAY

BY COLIN BROWN
Chief Political Correspondent

scales for the spin doctors shows that ministerial special advisers earning £24,349 a year will see their pay rise by 6.7 per cent and 3.5 per cent for those earning more than £73,484 a year.

That raised the prospects of inflation-busting pay rises for doctors and nurses from next April.

The Treasury is anticipating that the nurses will be awarded more than 5 per cent extra in the new year, which will be paid in full, without staging, and officials expect the doctors to get a similar rise.

"They can't give the nurses and doctors less than the spin doctors," said one senior Whitehall source.

Mr Campbell, a former tabloid journalist, and Mr Powell, a former diplomat, received pay rises of 2 per cent in April "in line with other senior civil

servants", Jack Cunningham, the Minister for the Cabinet Office, said.

Their salaries are above the standard salary structure for special advisers, ministers' assistants who are appointed from outside the traditional Civil Service and are allowed to be politically partial in dispensing their advice.

A new salary structure has been brought in for these Whitehall bag-carriers - who can expect to lose their jobs when their ministers do - giving them three salary bands ranging from £26,000 to £76,056.

The average pay for the 70 special advisers in Whitehall is £45,378. Mr Cunningham added. This compared with an average of £46,421 under the previous government, but the average has been lowered because the number of special advisers has increased.

The total pay bill for special advisers is expected to be £3.8m during the 1998-99 financial year, Mr Cunningham said.

Irvine to swap his ceremonial robes for 'comfortable' attire

THE LORD Chancellor, Lord Irvine of Lairg, succeeded yesterday in his wish to abandon his 17th-century ceremonial costume of tights, breeches, buckled shoes and wig in favour of more comfortable clothes.

In a modest move towards the modernisation of the Lords, peers decided by 145 to 115 in a free vote to allow him to wear plain black trousers and shoes except on ceremonial occasions.

Lord Irvine said that he faced 13 or 14 hours at a time wearing the traditional costume during the second reading and report stages of Bills. "The wig weighs an absolute ton. It is very uncomfortable," he said.

However, speaking during a lively debate, Earl Ferrers, former Conservative deputy

TRADITION

BY SARAH SCHAEFER
Political Reporter

leader of the Lords, dismissed it as "another example of the Government salami-slicing away at tradition" and a "retrograde step".

"The office of Lord Chancellor is one of the highest in the land, and the ceremonial which goes with that office and the uniform that attaches to that office is very important. In my view any attempt to dress down is wrong, nor do I think it is incumbent on whoever happens to be the holder at any time of this prestigious office to say, 'I don't really like this uniform'."

He said one could imagine Guardsmen suggesting they

do away with their "silly old bearskins" because they were out of date. Uniforms were a "symbol of what has gone before and on which the present is built", he added.

Referring to the controversial £60,000 refurbishment of Lord Irvine's official apartments at Westminster, Lord Ferrers said: "It would seem curious, for one who is so punctilious that his apartment correctly reflects history, that the same critical analysis should not apply to the Lord Chancellor's dress as well."

Defending the Lord Chancellor's request, Lord Strabolgh, a Labour peer, said times had moved on and reminded peers that Lords used to wear frock coats and top hats at

the beginning of the century. Lord Lester of Herne Hill, a Liberal Democrat peer, said the Lord Chancellor's dress made a "mockery" of the significance of his office. "As a barometer of 35 years' standing, I wish that the Lord Chancellor will liberate me and my colleagues from the outmoded, uncomfortable, unhygienic and unhealthy wigs we presently have to wear," he added.

Peers also approved for the Lord Chancellor to be able to speak from the Government front bench in his role as a minister without his wig and gown as he already does on committee stages of government Bills. He will continue to sit on the Woolsack for question time or the formal stages of Bills.

Hyde Park bomb conviction 'flawed'

BY JASON BENNETTO
Crime Correspondent

A MAN jailed for the IRA Hyde Park bombing in which four soldiers died in 1982 was wrongly convicted on misleading fingerprint evidence, the Court of Appeal was told yesterday.

Counsel for Danny McNamee, 38, argued that a convicted IRA terrorist was the likely source of many of the prints found on bomb-making equipment. They said that McNamee had served 11 years of a 25-year sentence for a crime he did not commit.

He was jailed in 1987 for conspiracy to cause explosions, which included the car bomb that killed four soldiers and seven horses of the Household Cavalry and seriously injured 17 civilians.

Michael Mansfield QC, counsel for McNamee, said that a false picture had been presented of his client at his trial as "master bomb-maker".

Earlier this month, McNamee became the first person convicted of a terrorist offence in England to be freed early under the Good Friday Agreement when he was released from the Maze Prison in Northern Ireland. His case was the first to be referred to the Court of Appeal by the newly formed Criminal Cases Review Commission, set up to examine potential miscarriages of justice.

Mr Mansfield told the court



Hyde Park carnage after the 1982 bomb. Ley Charlie

yesterday that fresh evidence concerning a convicted bomb maker, Desmond Ellis, was now available, which substantially undermined the prosecution case against McNamee and supported his defence.

He said that Ellis was the source of a "significant proportion" of the fingerprints found on devices with "explosive significance" in the case against the appellant.

McNamee's conviction turned on the discovery of his fingerprints on tape found in two IRA arms dumps and on a battery that survived the explosion in Hyde Park.

But Mr Mansfield argued that his client's work at an electronics factory where he would have been handling tape

and repairing radios that contained similar batteries offers an innocent and more likely explanation for how his prints came to be found.

During the appeal, expert evidence will also be used to argue the fingerprint recovered from the battery cannot be shown to be that of McNamee.

Counsel said it was also the prosecution's case that McNamee had manufactured the Hyde Park bomb. This submission was based on the similarity between the "art work" on the recovered fragments of the circuit board from the receiver used in the Hyde Park bomb and that on part of the receiver recovered from an IRA arms dump.

But Mr Mansfield revealed

that circuit boards with identical "art work" had been found in the possession of Ellis in 1981.

Mr Mansfield said the non-disclosure of the Ellis information to the defence was a "serious irregularity".

McNamee, 38, listened intently in the packed London courtroom yesterday as Mr Mansfield launched an attempt to clear his name at the start of a hearing expected to last about two weeks.

Earlier Mr Mansfield argued that the prosecution at the trial of McNamee painted a false picture of him as the "master bomb-maker".

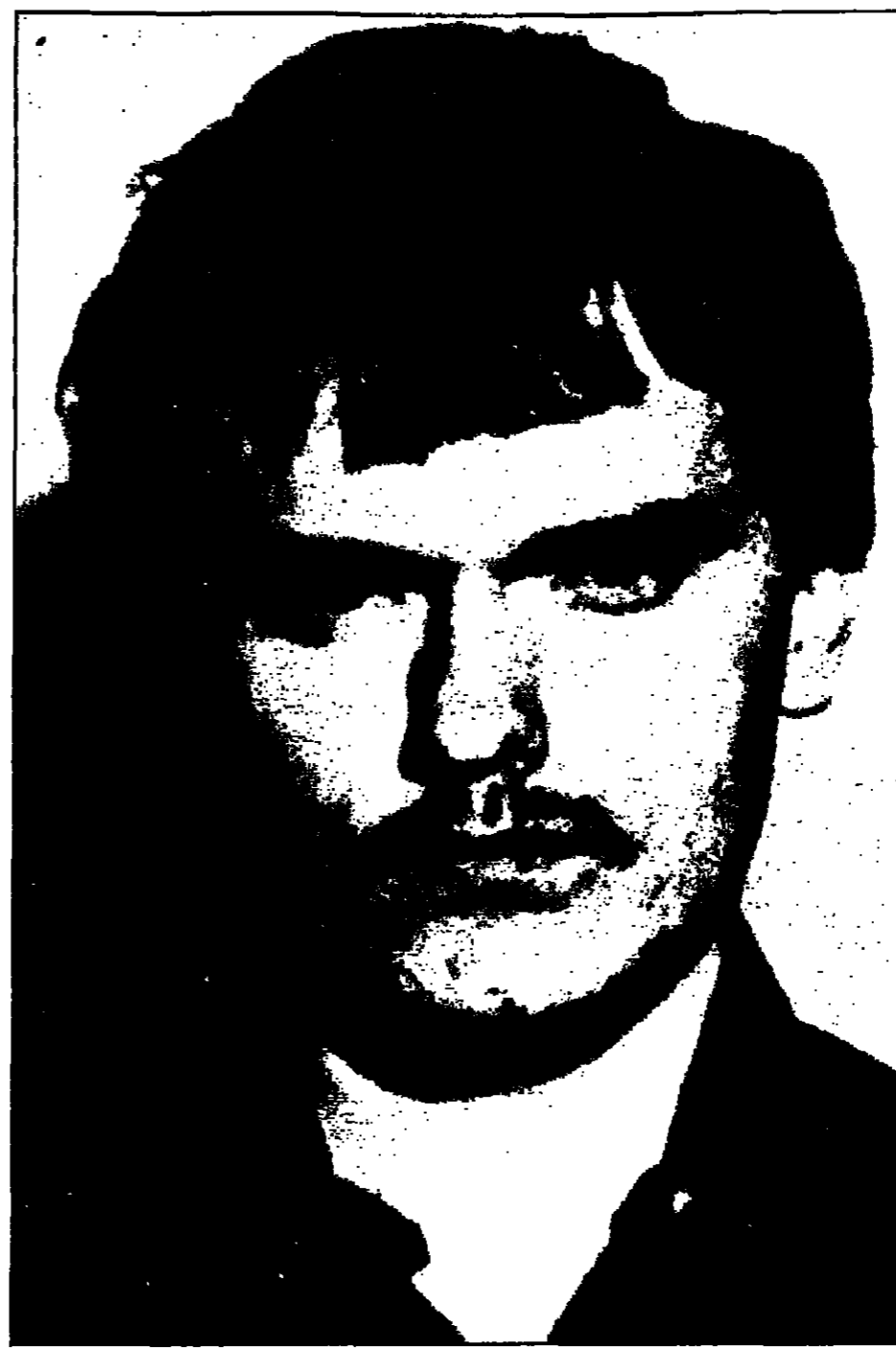
"We say it was known to be a false picture by the prosecuting authorities at the time," he said.

Counsel said the "basis of this appeal is that the picture painted by the Crown during the trial was a false picture".

McNamee, from Crossmaglen, South Armagh, has eight grounds of appeal before the court. Mr Mansfield said the prosecution case against McNamee was "deeply flawed from the beginning".

There has been a long-running campaign to clear McNamee, who has consistently denied any involvement with the IRA.

Unusually, the IRA has issued a statement denying McNamee was a member of its terrorist organisation. The appeal continues.



Danny McNamee: Consistently denied any involvement with the IRA

Racism costs director £60,000

BY IAN BURRELL
Home Affairs Correspondent

A FORMER local authority housing director who subjected a senior black colleague to a campaign of "grossly offensive" racial discrimination was ordered yesterday to pay him nearly £60,000 in compensation.

Bernard Crofton, former director of housing in Hackney, east London, accused Sam Yeboah, the council's former head of personnel, of placing "his crooks" in council jobs.

Mr Crofton, brought in by the council to investigate housing fraud, developed what an industrial tribunal described as "a fixed mental impression that Africans, particularly West Africans, have a propensity to commit fraud".

When the tribunal upheld Mr Yeboah's claims of persistent racial harassment, the council agreed to pay him £380,000 in compensation.

Yesterday, the tribunal ordered Mr Crofton to pay damages of £45,000 with £14,000 interest for those issues on which it was found he alone was responsible. The highest previous award made in similar circumstances was £1,000.

In its 306-page judgment, the tribunal said that one of the striking features of the case was "the number and persistence of false allegations".

At a meeting in September 1994, Mr Crofton told Hackney's chief executive that Mr Yeboah should be made to apologise to the council because "[He] had put his crooks into jobs".

Mr Crofton continued his onslaught during the tribunal hearings when he cross-examined Mr Yeboah, making a series of allegations which the tribunal said were "demonstrably false".

The tribunal concluded that Mr Crofton's behaviour was grossly offensive. It said it caused Mr Yeboah great distress and damaged his reputation.

Mr Yeboah, who is now unemployed, said of the decision: "I hope that it will send a clear message to people who discriminate against fellow workers on racial grounds that there may be a serious price to pay."

Sex returns to agenda as bishops urged to back celibacy

SEX, OR the lack of it, is back on the Church of England's agenda this week as bishops meeting in Westminster prepare to debate the merits of celibacy.

Horace Harper, a prebendary of Lichfield, Staffordshire, is calling upon the General Synod to support single people who have chosen to remain celibate because of their religious beliefs. His private member's motion urges Synod to celebrate those who "fulfil their Christian call-

BY CLARE GARNER

ing in lifelong celibacy, and honour their vocation".

The debate on celibacy outside marriage comes just a day after William Hague gave his own view that living with someone outside wedlock was not a sin. The Conservative Party leader, who lived with his wife, Fiona, before their marriage last year, said that it was not "going against what Christians believe, particularly when

it's people who are engaged to be married, who are going to be married, who are so clearly committed to each other..."

"What churches have really been arguing against, or what I see Christianity being opposed to, is promiscuity and people entering into intimate relationships with no intention of carrying them on."

Others believe that celibacy is the only Christian alternative to sex within marriage. Asked about sex before marriage, Mr

Harper, who is celibate, said: "That's not how I would understand Christian living. If other people perceive it to be within their Christian liberty I would not want to trace my conscience over theirs, but I wouldn't agree with them."

Mr Harper hopes that tomorrow's Synod debate will not be dominated by the question of whether gay clergy must remain celibate, a subject which dominated the worldwide gathering of Angli-

can bishops at the Lambeth Conference this summer. However, the Rev Richard Kyrke, general secretary of the Lesbian and Gay Christian Movement, believes that the church cannot possibly discuss celibacy without reference to homosexuals.

"In any discussion about celibacy within the Anglican tradition it must be remembered and acknowledged that celibacy is not a mandatory obligation on any member. We don't have

a celibate tradition in our clergy or laity other than among those who choose. The way celibacy is used at the moment - and most often invoked - is as a way of controlling the sex lives of gay clergy."

Mr Kyrke expects that this week's meeting of bishops will be "a rather chastened" affair. The conservative resolution, which ruled out the possibility of the ordination of practising gays and the sanctioning of same-sex blessings, had

prompted "a torrent of apologies" in the aftermath of Lambeth, he said.

This autumn the Archbishop of Canterbury, Dr George Carey, agreed for the first time to meet lesbian and gay Christians regularly.

Mr Kyrke is encouraged by Dr Carey's willingness to listen, but added: "Many people ask me, 'What's the point of us attempting to talk if the church has already pre-judged the process?'"

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Employment rights: Four million older workers are out of jobs, and the skills of millions more are under-used

Age prejudice 'costs Britain £26bn a year'

WORKERS WHO find themselves discriminated against because of their age may soon be able to take their grievance to industrial tribunals.

As the Government launched its code of practice against age discrimination yesterday, a report by the Employers' Forum on Age claimed that the practice cost the economy £26bn a year. In eight years, it is estimated, one-quarter of the working population will be over 50 but while there are now 9.3 million people in Britain aged 50-64, 3.7 million of them are not working.

The draft code, which businesses will be asked to follow from next year, covers recruitment, retirement and promotion, and urges employers to treat staff according to ability, not age. The Employment minister, Andrew Smith, said he would consult the heads of industrial tribunals over the possibility of age-related cases being heard.

But charities for older people said that the new code of practice was "unimpressive" and signalled a retreat by the Government from legislation.

Mr Smith said legislation had not been ruled out but he

BY GLENDA COOPER
Social Affairs Correspondent

warned that it would be complicated. Other countries, such as the United States, New Zealand and France, had run into problems.

"The code is a big step forward in tackling age discrimination because it will establish new standards," he said. "Customers and workers will have a basis to complain to a company and to the wider forum of public opinion. The more widely the code is accepted, the more appropriate it will be for industrial tribunals to take account of it."

The new code urges companies not to use age limits or phrases such as "young graduates" in job advertisements, to use interviewing panels of mixed age and to promote staff on merit, irrespective of age.

The charity Age Concern welcomed the code as an important first step, but added that only legislation would get rid of ageism. "With a recession predicted next year, even more older people will be in fear of losing their jobs and never working again. These people need to

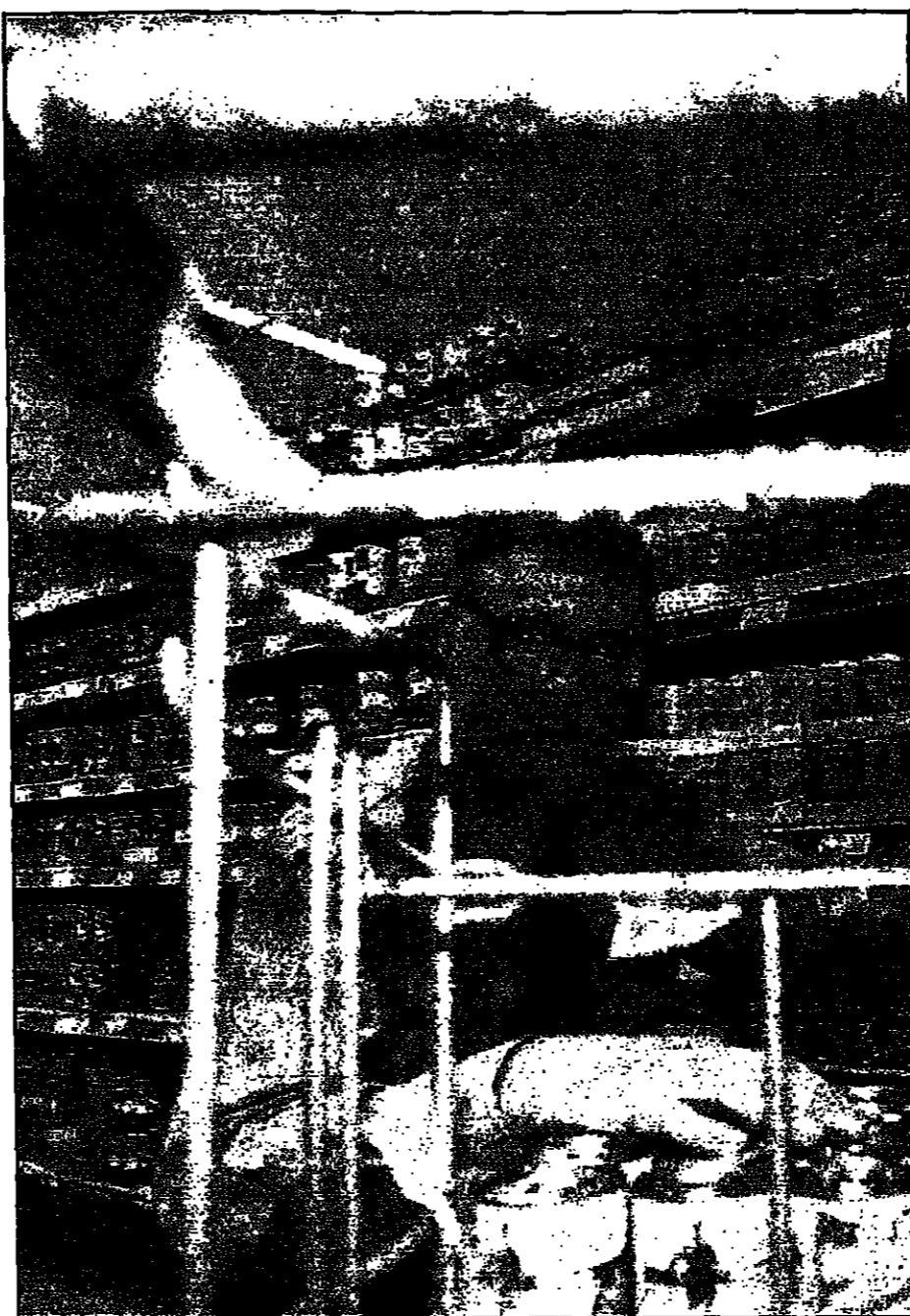
know that the law is on their side," Age Concern's director-general, Sally Greengross, said.

Mervyn Kohler, head of public affairs at Help the Aged, said the move would contribute to consultation as it was "the only show in town. But we have real worries about the code and feel it is a very unimpressive start," he said. "We need proper laws to tackle discrimination."

Debra Allcock, of the Industrial Society, said that voluntary codes usually worked better than legislation in the long run because people were more likely to respond well to them. But, she added: "What legislation can do is get people thinking about the issue, as was the case over equal opportunities."

She said the priority for the Government should be to push education to make people aware that ageism was unacceptable.

Helen Garner, campaigns director for the Employers' Forum on Age, said the code was a start. "But I think it will need strong support from the Government to work," she said. "They need to put funds into monitoring it and making sure all their departments and policies reflect the code."



Redundant computer designer Tony Webster, 59, cannot find a job because of his age and now stacks shelves in the Budgen supermarket in Buckingham

Director left on shelf to stack shelves

AS A computer sales director Tony Webster commanded a salary of £40,000 a year. Now he earns just £7,000 as a shelf-stacker for his local supermarket.

For more than 30 years Mr Webster, 59, worked in computers - designing hardware and software as well as working in sales - but his age means that since he was made redundant from his last job he has not been able to get full-time employment in this field.

He took his last employer to an industrial tribunal and won an out-of-court settlement for wrongful dismissal and breach of contract. He is convinced that ageism lay behind the loss of his job.

"The company I worked for was run by a 29-year-old. He said to me that he was worried that the average age of the company was creeping up. I was far older than anyone else, most of the rest were under 30," Mr Webster said.

"Soon afterwards I was given the sack."

He feels this is not an isolated incident. Two years ago Mr Webster sent out 40 letters applying for jobs without mentioning his age. He received 29 replies and was invited to 12 interviews. When he mentioned his age on application letters, he never got a reply.

"I have a lot of experience,

BY GLENDA COOPER

a lot of knowledge," he said. "The attitude is often that managers are worried by your age down on the shelf instead of looking at your ability."

"While I defend the right of employers to employ who they like, I feel angry about being ignored purely because of my age."

To support himself, Mr Webster got a job at a Budgen supermarket, where he is paid £3.83 an hour to stack shelves. "Though I like what I'm doing at the moment I would love to go back to computers," he said.

"I can see that employers would be worried about the health aspect of employing older workers, but I'm doing a hard physical job at the supermarket. I've lost a stone and a half, so I can do anything. I've proved I've got stamina."

Mr Webster is also doing some Web design part-time and has continued to write poetry and short stories, some of which have been published. He feels he still has a lot to give to society.

"Older people often have a lot of loyalty and a lot of reliability," he said. "They have the ability to interact with other people. We need to educate employers into seeing the benefit of older employees - they still have so much to offer."



The black woodpecker

Europe's biggest woodpecker is heading for Britain

ONE OF Europe's most spectacular woodland birds, the black woodpecker, is heading towards Britain.

As big as a crow and twice the size of its nearest British relative, the great spotted woodpecker, it is traditionally a bird of Central European forests, but

BY BRIAN UNWIN

it has been spreading westwards for the past 50 years.

Some of them are now nesting so close to France's Channel coast that the nearest pairs are just 100 miles from Kent and Sussex and one expert is predict-

ing they will soon make their first appearance in England.

In the latest edition of *Birding World*, published by the Bird Information Service, Gerard Gorman writes: "I personally find it hard to believe that the species has so far never managed to reach Britain.

Black woodpeckers are purposeful, strong flyers which often travel several miles cross-country between nesting, roosting and foraging sites.

"Quite large bodies of water present no problem for dispersing black woodpeckers and clearly the waters separating

Britain from mainland Europe are narrow enough for pioneering birds to cross."

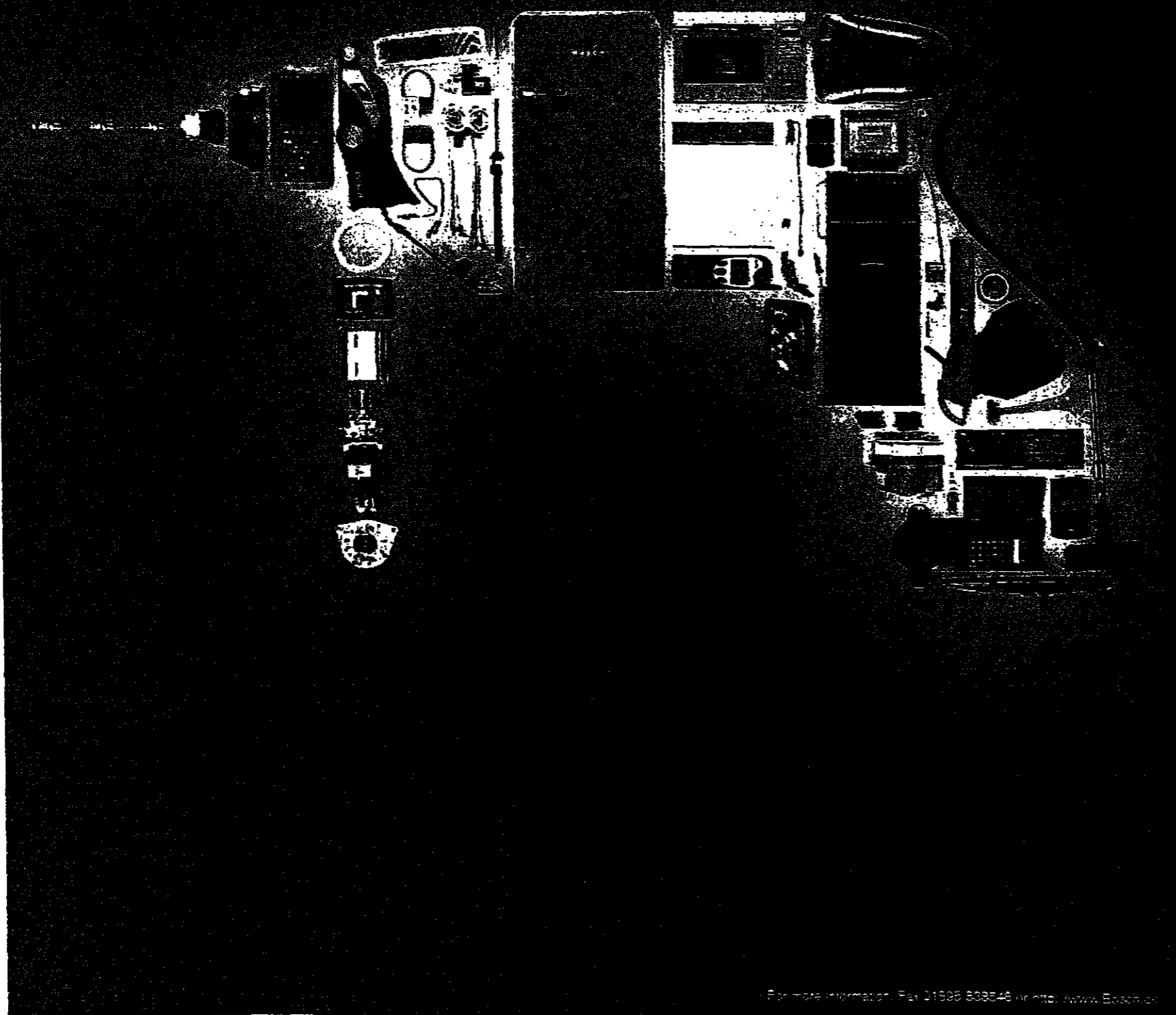
The birds are striking in appearance, jet black except for an ivory-coloured bill and a scarlet crown. Their population expansion is linked to deciduous woodlands maturing across

Europe - they particularly like tall stands of beech trees - and also the growth of Norway spruce plantations.

Mr Gorman says Britain has a lot of habitat that would suit them and their eventual occurrence here "is not only possible but seems inevitable."

"It may even be imminent and, given the dynamic nature of the species' expansion on the near continent and the relatively short distance involved, it may not be unreasonable to believe that several birds could make the short trip across the sea in the coming years."

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Schools: Heads angry at minister's words

'Don't expel pupils for having drugs'

PUPILS FOUND with drugs at school should not automatically be expelled, Estelle Morris, the School Standards minister, said yesterday.

Miss Morris told the annual conference of the Girls' Schools Association that pupils who sold drugs at school should be expelled but drug education within school should be an option for those "simply found with cannabis in their pockets".

She was speaking before a government announcement tomorrow on new guidelines on how schools should deal with drug-taking pupils. Her speech at the Glasgow conference came weeks after two primary-school children turned up at school with heroin.

Heads accused her of undermining their ability to send strong anti-drug messages to pupils. Ministers have asked local authorities to set targets for the reduction of exclusions.

Miss Morris said: "Many schools have had a policy of automatically excluding pupils for any incidents to do with drugs. I understand why this is the case, because it gives a clear message that drugs are wrong. We are saying schools need to make a judgement about the disciplinary action they take. They need to have a range of options. There are those who'd think that when you have a drug-related offence it is about punishment.

BY JUDITH JUDD
Education Editor

There are those who think it is about welfare. Neither of these extremes is acceptable or related to the real world."

Miss Morris said there was no question of taking away a head's right to exclude pupils guilty of serious drugs offences and she fully understood the pressure from parents to expel those who took drugs.

John Dunford, general secretary of the Secondary Heads' Association, said: "Any kind of pressure on heads in this direction is unwelcome. There is a need to give a very strong message to children. It is difficult enough to keep schools out of the drugs scene."

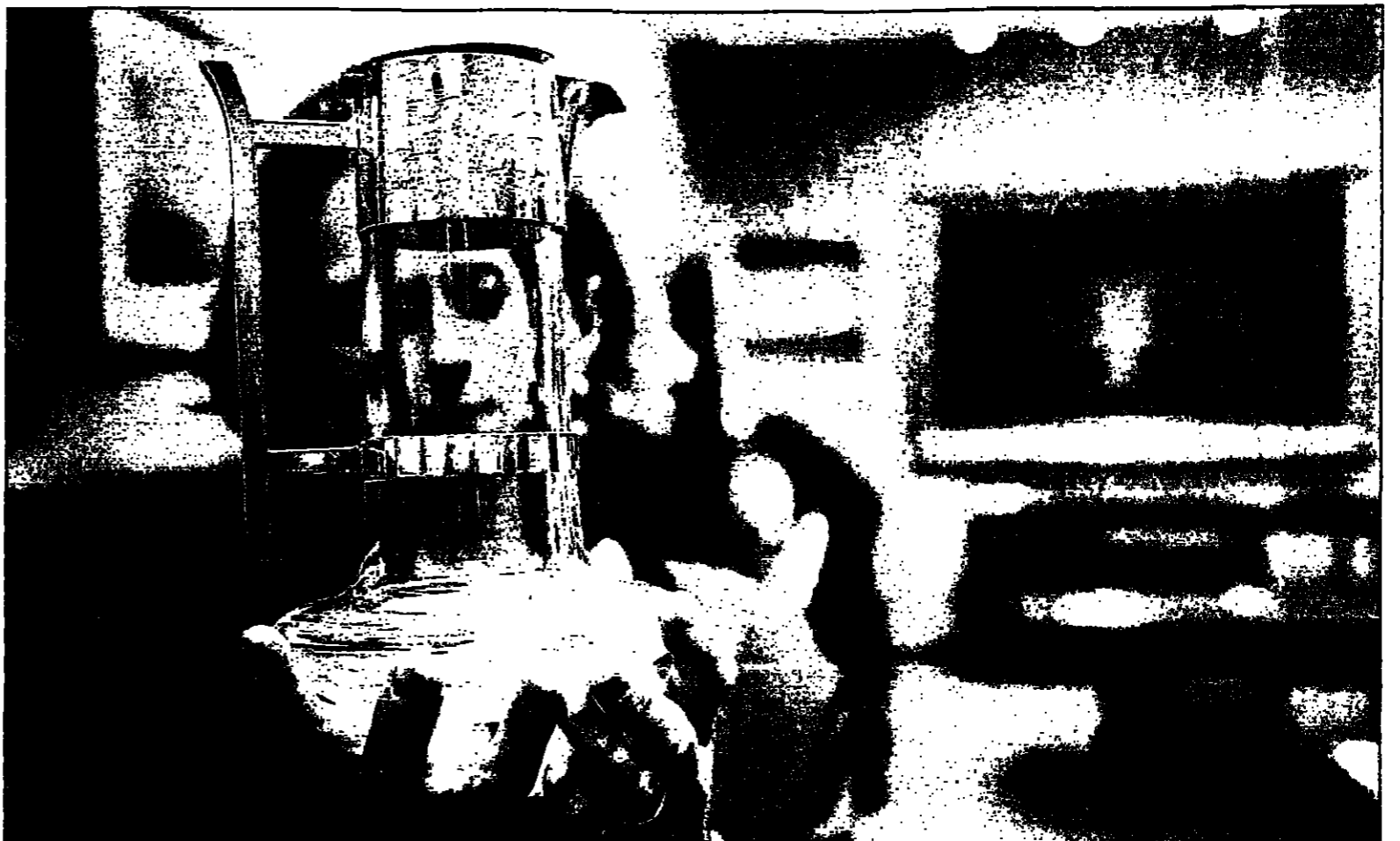
He feared heads would be caught between pressure from parents to exclude children found with drugs and pressure from local authorities anxious to meet the Government's targets for reducing exclusions.

As a former head of a large secondary school, he had both excluded pupils found with drugs and accepted pupils expelled from other schools for similar offences.

Miss Morris also pledged extra money for the battle against drugs. The Government would provide £22.5m over three years to fight drugs in schools. The drug menace threatened the Government's

crusade to raise education standards, she said. "The Government has standards at the centre of its agenda for education. However, those young people whose lives are blighted by drugs will find it impossible to reach their full potential."

Jackie Anderson, president of the Girls' Schools Association, said all schools had to recognise the "drug culture is part of our society ... all children, sometimes from a disturbingly young age, are vulnerable to the transitory thrill of drugs, which are as available ... as chewing-gum."



Annamarie Stapleton, a director of the Fine Art Society, inspecting a claret jug designed by Christopher Dresser in about 1870. It features in 'Style: Art & Design', an exhibition in New Bond Street, central London, which opens today and runs until 11 December. Tom Craig

Single parents can be 'ideal' too, says head

SINGLE PARENTS are just as capable as traditional families of bringing up children, a headmistress said yesterday.

Jackie Anderson, president of the Girls' Schools Association of girls' independent schools, said the emphasis on family values in the recent Green Paper was not always possible in reality. She challenged "the idealisation of family life".

Mrs Anderson, head of King's High School, Warwick, told the association's annual conference in Glasgow that Elizabeth I, Cherie Blair, and Jane Austen's brother were examples of well-adjusted people who were brought up outside conventional families.

Two months ago, Dr Patrick Tobin, chair of the Headmasters' and Headmistresses' Conference of public schools, argued that divorce was the biggest single cause of serious disciplinary problems in independent schools.

Mrs Anderson, who has been married for 35 years and has two adult children, said: "There are plenty of happy, well-adjusted people around who did not have the conventional two-parent families."

"Elizabeth I was a highly successful leader whose home life offered a series of role models who taught her to avoid following in their footsteps. Or more seriously, families such as Jane Austen's, where her brother

BY JUDITH JUDD

was happily nurtured by her aunt and uncle to the apparent advantage of all concerned."

"Like Cherie Blair, I owe much to my grandmother. Cherie was looked after by her father's mother by the age of six weeks and she says her grandmother taught her how important it was to remember." Mrs Blair's father, the actor Tony Booth, left his wife and two daughters, who were brought up by their mother - who went out to work - and their grandmother. However, Mrs Anderson warned that parents need to be generous during divorce to limit the damage done to their children. Fathers could keep in touch by telephone, by post, by e-mail and by taking an interest in their child's school.

Asked about girls' reaction to divorce, she said they became subdued, lacked concentration and were very sad when their parents separated.

A daughter might feel abandoned if her father left home, or she might idealise him so he became a "fantasy father".

She added: "He becomes the perfect parent, unlike the poor parent living with the child 24 hours a day."

Boys were more likely to go off the rails during a divorce because they lacked the "culture of talking", which helped girls to support each other.

Sleeper train hit vans left on track

NEARLY 100 passengers had a lucky escape yesterday when a sleeper train ploughed into two stolen vans that had been abandoned on the line.

The London Euston-Inverness train smashed into the vehicles at Slateford junction, Edinburgh, at 4am. Police said none of the 95 passengers was injured - some slept through the

BY NICK MEO

incident - but the 33-year-old driver was treated for shock.

Detective Sergeant John McBride, from British Transport Police, said: "If it turns out to be vandalism it was the worst kind of mindless vandalism and could have had catastrophic effects." Fortunately the train had been travelling at only 30mph at the time.

Dozens of firefighters and Railtrack crew worked into the morning to clear the wreckage. A Railtrack spokesman said one of the vans had become lodged under the locomotive.

The owner of a van hire firm next to the site of the collision said the vans had been stolen from his yard.



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Tonight's meteor storm will reach 160,000mph

By CHARLES ARTHUR
Technology Editor

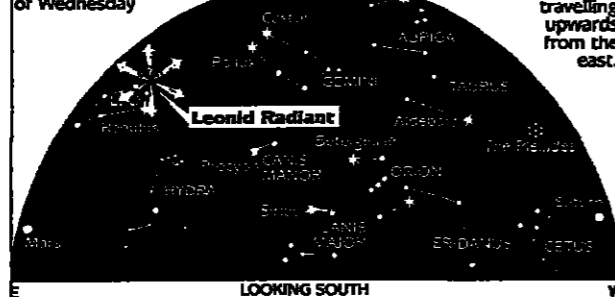
BRITONS HOPING to watch a dazzling meteor storm expected to reach a 33-year peak tonight may find that the best vantage point is in front of a computer.

Satellite operators are holding their breath to see whether the meteors, many just tiny dust fragments, will damage any of the 500-odd satellites orbiting the Earth. The crew members of the Mir space station are also taking precautions against any impact.

Forecasters are predicting cloudy weather for half the country tonight, when the bright trails of the Leonid meteors - caused each year since the 10th century by the Earth passing through the dust left over from the trail of Comet Temple-Tuttle - would be visible. And while the West Country, west Wales and western Scotland are predicted to have clearer skies, the point in the sky from which the meteors appear to come (known as the "radiant") will not be above the horizon until 11pm. The

WHERE TO LOOK FOR THE LEONID METEORS

In the early hours of Wednesday



The Radiant is the point in the sky where the meteors appear to be coming from. It does not rise above the eastern horizon until almost midnight. Before that you may see streaks travelling upwards from the east.

forecast is that the most intense period of the shower will be between 2pm and 10pm today.

Observatories in Japan are planning "Webcasts" of the display. They will be on the Internet at the Web sites:

■ <http://leonids.net/live/index.html> and:
■ http://www.niftyne.jp/forum/space/special/livcam_e.htm from 2pm today.
The US space agency Nasa will also have coverage, at:
■ <http://leonid.arc.nasa.gov> from an aircraft that is flying

over Japan, trying to estimate how much meteor material actually enters the atmosphere during such a storm.

Teams of satellite controllers on the ground will also be watching for any effect on the valuable equipment orbiting the planet. Though the European Space Agency estimates that the chance of any satellite being hit is less than 0.1 per cent, the meteors are travelling so fast - roughly 160,000mph - that they could hole a satellite, potentially disrupting telephone, radio or TV

channels. Sky TV is among those at risk.

"Operators are taking damage limitation measures," said a spokeswoman for the British National Space Centre yesterday. "They are switching off high-voltage systems and putting ground controllers on alert." During the storm the Hubble Space Telescope's delicate mirror will be turned away from the particles, while the three cosmonauts on Mir are ready to go into the Soyuz escape pod if the shower threatens the space station.

The last Leonid storm was in 1966, when the shooting stars appeared at a peak rate of 150,000 per hour. But the risk to satellites then was minimal because so few were aloft. Now, with more than 500, the risks are greater. The particles can create an electric discharge that wrecks the delicate electronics on a communications satellite.

Most of the particles, though, simply burn up as they hit the Earth's atmosphere, turning white-hot - to give what ground observers see as a "shooting star".



Shooting stars similar to the ones which are expected today Pekka Parviainen/Science Photo Laboratory

Hostage taker got new gun licence

By CHARLES ARTHUR

A JUDGE called for an inquiry yesterday into why a man who took a hostage at gunpoint in 1986 was given another firearms licence, allowing him to shoot two people and kill a police dog.

On imposing four life sentences on 33-year-old Adam Willmott, Mr Justice Scott-Baker said the fact that Northamptonshire police granted him another firearms certificate in 1995 was "a matter of considerable disquiet".

During a violent rampage, Willmott, a self-employed builder from Irthlingborough, shot his girlfriend twice, wounded a police dog handler and killed the officer's dog.

He was sentenced yesterday at Oxford Crown Court after admitting two counts of wounding with intent, possessing a firearm with intent to endanger life, destroying a police dog and aggravated burglary.

The court was told of an evening of violence that began with Willmott and his then girlfriend, Susan Sturgess, playing a game of pub skittles in which, he said, she had sought to "humiliate" him.

Willmott later went to Ms Sturgess's home and threatened her and her daughter with a knife before they escaped to the home of a policeman who lived nearby.

Police called to the scene saw Willmott driving away but he doubled back to break into the Sturgess house armed with

his .22 rifle, 116 rounds of ammunition, a silencer and a telescopic lens. "The women screamed ... banging on the window to attract the attention of the two police officers still in the street," Michael Stokes QC, for the prosecution, said.

When they approached the house, Willmott shot Constable Ian Churms in the leg before walking over to him and saying: "Oh, I didn't kneecap you then?" He then killed the officer's German shepherd dog with a single shot in the neck, before shooting Ms Sturgess in the shoulder and left thigh.

The court was told that Ms Sturgess escaped to the house of Constable Ian Harris, who said he felt "petrified and helpless" as he heard Willmott battering down his kitchen door. But after a fight, the officer, a judo instructor, managed to disarm him.

Mr Justice Scott-Baker ordered a formal verdict of "not guilty" to be returned on a charge of attempting to murder Ms Sturgess. He told Willmott: "It is clear that you are ... unstable and potentially very dangerous. You should never have been trusted to possess a lethal weapon." He recommended that Willmott serve six years before being considered for parole.

Anne Rafferty, for the defence, said Willmott, a diabetic, blamed a wrong prescription of insulin for his behaviour.

THE RIGHTS OF EVERY MAN

The Independent is publishing daily each of the 30 Articles of the Universal Declaration of Human Rights, illustrated by Ralph Steadman, to mark its 50th anniversary on 10 December.



Article 10

Everyone is entitled in full equality to a fair and public hearing by an independent and impartial tribunal, in the determination of his rights and obligations and of any criminal charge against him.

A pamphlet edition of the Universal Declaration of Human Rights is published by Waterstone's, price £1. Proceeds to the Medical Foundation for the Care of Victims of Torture.

EVERYONE RESPONDS TO A CARD



150

ONdigital undone by box shortage

THE LAUNCH of digital terrestrial television has been attacked by high street retailers as a fiasco after they were left with a shortage of equipment. They have complained that thousands of people wanting to sign up to the new service are unable to do so because not enough set-top boxes are on sale in the shops.

BY JANE ROBINS
Media Correspondent

5,000 boxes in shops throughout the United Kingdom, compared with 75,000 inquiries recorded on the ONdigital helpline. ONdigital, a joint venture between Granada and Carlton, insisted that it had tens of thousands of boxes ready for the launch, but retailers such as Radio Rentals and the box

manufacturers Philips disputed the figure. Radio Rentals was reduced to offering customers vouchers to bring back to the stores when the boxes start to arrive. The company had only 500 boxes to distribute to its 488 shops. Given the shortage, it decided to put much of its stock into one shop in High Street Kensington in London - somewhat undermining the claim by

an ONdigital spokesman that his visit to the same shop showed that, anecdotally, there were plenty of boxes around. Dixons also confirmed that over the weekend demand had far exceeded supply. "We sold out of boxes by midday on Saturday in our Oxford Street store," a spokesperson said. The delay was described by retailers as a classic management mistake by ONdigital -

stocking up demand and then failing to supply product. It also reflects a number of technological difficulties in the development of the boxes, which are needed to decode the new digital channels. Philips, the only manufacturer ready with the boxes, said it was producing as many as it could during the week, but could not guarantee that it would meet its target of 20,000

boxes in the shops by Friday. Pace, another manufacturer, is also expecting to start delivering boxes to the shops within weeks. ONdigital is spending £10m on its launch between now and Christmas, and is in fierce competition with BSkyB's digital satellite service. The failure to deliver set-top boxes is seen as only the first of a number of hiccups. The ONdigital service is

available only in about 60 per cent of homes. ONdigital says that anyone who manages to secure a set-top box only to discover they are out of range will be able to get their money back. Key ONdigital channels and services were also absent at launch. ITV2 will not go on air until next month, one of the main movie channels is still unavailable and digital Teletext services are not yet working.

BSkyB is also making much of the fact that it has nearly 10 times as many channels as ONdigital - but its customer service is also hitting obstacles. Retail store managers complained that while ONdigital customers will have to wait several weeks before their set-top boxes arrive, Sky customers are experiencing similar delays in getting satellite dishes installed by the company.

'Angel of Mostar' is under attack from all sides

IS THIS the last stand for Sally Becker? The website for the body she directs, Operation Angel (logo "Angels rush in where most of us fear to tread") has a self-fulfilling air now she has been shot in the leg, after rushing back to the bandit land of northern Albania on another mission to rescue children. Ms Becker, a self-confessed "unguided missile", blames this missile on an assassin. And it is a fact that any number of Serb militants or Albanian warlords may want to kill her. "It's a completely anarchic there," said UNHCR's London spokeswoman, Lyndall Sachs. But, ironically, the bullet may help to save the embattled mission of a woman whose life seems to be spinning in ever more frantic circles. The latest episode began a few weeks ago when the Angel of Mostar - so called for rescuing children from the city's besieged Muslim quarter in 1993 - flew to Albania. Her goal was to rescue refugee children stranded in Serb-ruled Kosovo, or in freezing northern Albania. Already this year, Ms Becker's Operation Angel had been sailing into choppy waters. In July she was held by the Serbs while trying to smuggle an Albanian family out of Kosovo, and sentenced to 30 days in jail. "I found the children sheltering beneath the rubble of their homes and attempted to evacuate them across the mountains into Albania when we were surrounded by Serb

BY MARCUS TANNER

forces," she said on her website. "By some miracle the children and their mothers made it safely across the border. I stayed behind to help one woman and we were arrested." Ms Becker also claimed she had been tortured when she was released two weeks later after going on hunger strike. But there were also reports that it was her determination to go ahead against all advice that ended with her inadvertently leading the family into a Serbian ambush. A month earlier, Ms Becker's trip to Albania ended in a furore after several volunteers on her expedition threatened to sue her. "It was 'Carry On up Albania'," scoffed one Balkan reporter, who followed in her wake. Ms Becker was blamed for travelling into a region run by bandits with no provision for ensuring her team or her aid was kept safe from Albanian gangs. "There are about three murders a week," said a reporter who returned recently from the area. At the end of the trip, six of the 26 women said they would take legal action. "We are worried she may take other convoys to Kosovo," said Mary Banks. "Volunteers may end up getting killed." With troubles and poor publicity piling up on her head, Ms Becker was back in Bajram Curri, in northern Albania, last week with a plan to evacuate

about 100 children - half to the US and half to Britain. The US side of the operation went well. But Ms Becker's difficult relations with the authorities appears to have rebounded on her. Instead of flying to Britain with the children last Friday, Ms Becker was refused visas by the Home Secretary, Jack Straw, saying she had not satisfied the criteria for bringing the children to be treated in private UK hospitals. Ms Becker has had a troubled relationship with the UN High Commissioner for Refugees since her Bosnia days. Silvana Foa, a former UNHCR spokeswoman, once memorably said of her: "You need to do your homework, get the paperwork done and get the visas in order. We don't want every granny with a bus turning up in Bosnia." The UNHCR was livid when Sally - no "granny" but a spiky-haired 37 - brought out 55 children from the besieged Bosnian Croat stronghold of Nova Bila, in central Bosnia. The rescue was fine but the children were evacuated on a Bosnian Croat army helicopter, breaking the UN "no fly" zone imposed on all the combatants in the 1992-95 Bosnian war. Ms Sachs said the Becker mission "caused the entire aid operation in the area to grind to a halt." This deep suspicion of Ms Becker's methods among the UNHCR may have influenced Mr Straw's decision to delay



Sally Becker, the 'Angel of Mostar', has angered aid organisations and the authorities with her mercy dashes to save children. Allen Roger

Midland Bank Interest Rates

Advice of interest rate changes for personal customers from 3 December 1998

We regularly tell each of our customers what their interest rates are. Fair terms are maintained for all accounts that are no longer sold. It is our policy to keep customers advised of both old and new rates.

Rates for Savers

High Interest Savings 60 days notice (Monthly interest option)	Old Rate	New Rate from 3 Dec 98	High Interest Savings 60 days notice (Monthly interest option)	Old Rate	New Rate from 3 Dec 98
	Gross	Gross		Gross	Gross
		Gross CAR			Gross CAR
£100,000 +	6.85%	6.35%	£100,000 +	6.65%	6.18%
£50,000 +	6.55%	6.05%	£50,000 +	6.37%	5.89%
£10,000	6.45%	5.95%	£10,000	6.27%	5.80%
Up to £10,000	6.25%	5.75%	Up to £10,000	6.08%	5.61%

Midland Instant Access Savings (Monthly interest option)	Old Rate	New Rate from 3 Dec 98	Midland Instant Access Savings (Monthly interest option)	Old Rate	New Rate from 3 Dec 98
	Gross	Gross		Gross	Gross
		Gross CAR			Gross CAR
£50,000 +	6.00%	5.50%	£50,000 +	5.85%	5.37%
£25,000 +	5.35%	4.65%	£25,000 +	5.23%	4.56%
£10,000 +	4.85%	4.20%	£10,000 +	4.75%	4.13%
£5,000 +	4.60%	4.00%	£5,000 +	4.51%	3.93%
Up to £5,000	4.25%	4.00%	Up to £5,000	4.17%	3.93%

Deposit Account 7 days notice (No longer sold)	Old Rate	New Rate from 3 Dec 98	Tessa and follow-up Tessa (Annual Tax Free Interest)	Old Rate	New Rate from 3 Dec 98
	Gross	Gross			
		Gross CAR			
£50,000 +	5.92%	5.44%		7.80%	7.30%
£25,000 +	5.29%	4.61%			
£10,000 +	4.80%	4.16%			
£5,000 +	4.56%	3.97%			
Up to £5,000	4.21%	3.97%			

Mortgages*

	Old Rate	New Rate from 3 Dec 98		Old Rate	New Rate from 3 Dec 98
	APR	APR		APR	Int. Rate p.a.
Home Loan Rate	9.0%	8.5%	Homeowner Reserve	12.6%	11.80%
Home Improvement Loan Rate (loans sanctioned before 26 April 99)	11.0%	10.5%			11.40%
Home Mortgage Rate	8.9%	8.4%			

Other Secured Borrowing

	Old Rate	New Rate from 3 Dec 98
	APR	APR
		Int. Rate p.a.

Bank Accounts

Student Bank Account	Old Rate	New Rate from 3 Dec 98	Livestash	Old Rate	New Rate from 3 Dec 98
	Gross	Gross		Gross	Gross
		Gross CAR			Gross CAR
	1.99%	1.49%		4.17%	3.93%
		1.50%			4.00%
16 - 19 Year Old Account	Old Rate	New Rate from 3 Dec 98			
	Gross	Gross			
		Gross CAR			
	2.23%	1.74%			

Base Rate 6.75%
effective from 5 November 1998

Gross: The rate before the deduction of tax, applicable to savers.
Gross CAR (Compound Annual Rate): The true gross return taking into account the frequency of interest payments.
Tax Free: Tax Free means that interest is not subject to income tax.
*Mortgage rates for new borrowers were effective from 17 November 1998.
All rates are correct as at 3 December 1998 but may vary in the future.

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Windfall joy on the buses

MORE THAN 2,500 Merseyside bus drivers were celebrating an early Christmas present last night after receiving a £20,000 windfall from the local transport giant, MTL. The company, which runs buses and trains in Liverpool and Merseyside, decided to return £48m to its shareholders after plans for a stock market flotation and a sale of the business collapsed earlier this year. MTL is the biggest transport operator in the region. It runs more than two-thirds of the buses in Liverpool and is responsible for the city's underground system. It also owns Northern Spirit, the rail company that operates the trans-Pennine express linking Manchester, Leeds, York and Newcastle upon Tyne. The majority of MTL's share-

BY FRANCESCO GUERRERA

holders are drivers and conductors, who bought the company from the state-owned Merseyside Passenger Transport Authority in 1992. A large number of the 6,900-strong workforce have increased their stakes since privatisation. MTL employees hold on average 33,000 shares, giving them a windfall of about £20,000 under the plans agreed yesterday. Most were encouraged to invest in the company by the prospect of a stock market flotation. However, their chances of pocketing a lucrative windfall from a sale on the stock market were dashed earlier this year when the Office of Fair Trading, the competition watchdog, accused the company and

nine other transport groups of price fixing. The OFT investigation, scoured off City investors and prompted MTL to scrap the flotation plans. Hopes of a windfall were kept alive by rumours that MTL could be taken over by one of the national transport giants, such as Stagecoach or Go Ahead, for about £120m. After a flurry of speculation over the summer, MTL terminated the talks and with it the drivers' chances of a takeover bonus, amid rumours that the offers received were too low. The company said yesterday that the £20,000 award would be

enough to compensate its employees for the wait. Peter Coombes, chairman and chief executive of MTL, said that the windfall offered shareholders "the opportunity to realise a significant amount of value" from their stakes. Mr Coombes raised the prospect of a further payout in two or three years through a stock market flotation. Analysts said that the chances of a listing were enhanced by the end of the OFT inquiry a fortnight ago after the bus companies agreed to abandon their deals on price fixing and market sharing.

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UN inspectors to play tough in Iraq

AS SOME 90 weapons inspectors of the United Nations Special Commission on Iraq (Unscim) prepared yesterday to head back into Iraq after the military dramas of last weekend, it is impossible not to wonder how long it will be before they are again barred from doing their work by President Saddam Hussein.

This is no idle question. The record of President Saddam is clear. Each time he has been faced with military punishment he has backed down from confrontation with Unscim and promised again to co-operate. And each time he has reneged within weeks.

This is what we saw in February. President Saddam had been barring inspectors from his presidential palaces and so the United States and Britain deployed a big force in the Gulf and threatened to bomb Iraq.

By DAVID USBORNE
in New York

On that occasion Kofi Annan, the UN Secretary-General, went to Baghdad and agreed a memorandum of understanding with President Saddam that promised to open all doors to the inspectors.

It was several months before we knew for sure that the agreement was proving as worthless as all previous ones. Tension increased until 5 August, when President Saddam curtailed the work of the inspectors. Even as the Security Council tried to defuse the stand-off by promising to launch a "comprehensive review" of the 1991 sanctions on Iraq, President Saddam cut off co-operation with Unscim entirely on 30 October.

Critical to the slow degradation of Iraq's relations with Unscim during the months



Richard Butler, the UN's chief weapons inspector (left), and Tariq Aziz, Iraq's Deputy Prime Minister



after February was the policy being pursued in Washington. Behind the scenes, the Clinton administration was urging Unscim to go gently on President Saddam. It did not want Unscim to trigger a new confrontation unnecessarily. If Mr Clinton's words on Sunday are to be taken at face value, policy in Washington this time will be different. When the inspectors return to Iraq this morning they will be expected not just to resume their work, but actively to test the latest pledges of President Saddam.

Mr Clinton could hardly have been more adamant. He went so far as to list five criteria by which the sincerity of President Saddam's promise will be tested. Iraq, he said, must "resolve all outstanding issues" raised by Unscim; must give inspectors "unfettered access" to all sites; must "turn over all relevant documents"; must abide by all relevant UN resolutions; and must not interfere with the inspectors.

Mr Clinton and Tony Blair added that if President Saddam attempts to duck any one of these criteria, the military punch that was so credibly assembled over recent days will instantly be delivered.

Already there are signs of trouble. When the Security Council met on Sunday formally to accept the Iraqi climb-down, alarm bells sounded again as Tariq Aziz, the Iraqi Deputy Prime Minister, went on television to make a statement that seemed partially to undo commitments made in the letters of capitulation delivered on Saturday. It was a brief panic

quickly cleared up by a telephone call from Mr Annan to Mr Aziz. But diplomats saw it as a bad omen.

Tension is likely to develop quickly, moreover, over plans for the comprehensive review that the Council says it will still undertake of the sanctions. Baghdad evidently expects that process to begin soon. London and Washington will block it, however, until the inspectors have tested the Iraqi promises.

How fast can the inspectors, who are to resume their work in earnest tomorrow, move to do that? Perhaps not as fast as Washington and London would like. Because Iraq has had ample time in recent weeks to shuffle any incriminating evidence of weapons, it may be able to open its doors wide to inspectors in the knowledge that it will be weeks or months before they begin to sniff gunpowder again.

There is one thing Richard Butler, head of the inspection team, could try immediately: he could demand today that Iraq hands over documents discovered at Iraq air force headquarters this summer that seemed to contain details of its chemical-weapons capabilities.

In August Mr Aziz told Mr Butler that the documents would not be given to Unscim - ever.

But handing them over was one of Mr Clinton's five criteria. If Mr Butler asks and Iraq again demurs, we could soon be back in military mode, perhaps before the end of this week.

And if Washington is serious, military mode will mean immediate military strikes.

Israel halts West Bank withdrawal

BENJAMIN NETANYAHU, the Israeli prime minister, told the Israeli parliament yesterday that he would refuse to implement the land-for-security agreement with the Palestinians until Yasser Arafat, the Palestinian leader, publicly retracted a threat to use armed force.

Mr Arafat said on Sunday that Palestinians would stage another intifada or uprising if Israel strayed from the path of peace and might take up arms to defend their right to pray in Jerusalem.

Israel was expected to begin the first phase of its limited withdrawal from the West Bank and release 200 prisoners later this week under the terms of the Wye agreement signed in Maryland on 23 October.

Mr Netanyahu said: "We are not prepared to move forward under the shadow of violence and the threat of violence." He said he would convene his cabinet tomorrow to see whether to see if the Palestinians had retracted.

Mr Netanyahu has moved so slowly in implementing the Wye agreement that it is unclear if he intends to do so at all. His slow progress and fierce rhetoric also serves to pacify his right-wing supporters.

A senior Palestinian official said that Mr Arafat had told the Israeli leader in a telephone conversation that he was not threatening violence.

In a further sign that the Wye agreement has done nothing to reduce tensions Ariel Sharon, the Israeli foreign minister, told Jewish settlers in the occupied territories to take as much land as they could. In re-

marks broadcast yesterday, Mr Sharon said everyone "should grab more hills. We'll expand the area. Whatever is seized will be ours. Whatever is not seized will end up in their hands."

Mr Sharon is a supporter of militant Jewish settlers in the West Bank and Gaza. These had already been establishing new settlements but the foreign minister's remarks may start a campaign of land-grabs on the West Bank where the level of violence is already increasing.

Hanan Shour, a Palestinian negotiator, called Mr Sharon's remarks "a call for war".

Mr Sharon also said that he was only repeating government policy. Given the number of new settlements springing up on the ground this may well be true. There are 170,000 Jewish settlers in the West Bank and Gaza, which are home to 2.5 million Palestinians. The Wye agreement does not limit settlement expansion, which is now greater than at any time since 1967.

Three Israeli soldiers were killed and four wounded by a bomb planted beside the road in south Lebanon yesterday as they went for firing practice near an Israeli base at Markaba, in the centre of the zone occupied by Israel. Hezbollah, the militant Islamic Lebanese guerrilla movement, claimed responsibility.

The explosion raises the number of Israeli soldiers killed to 15 this year. Another 84 have been wounded. The Israeli-run South Lebanon Army has suffered heavier casualties over the same period with 31 killed, mostly by roadside bombs.

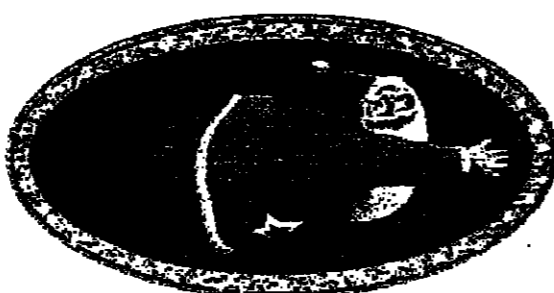
Israel and the SLA are reported to have killed 28 Hezbollah guerrillas over the same period.

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13.5/60

Habibie fears takeover by military



A solitary student protester defiantly sitting in front of a line of soldiers in Jakarta yesterday

Reuters

THE GOVERNMENT of the Indonesian President, B.J. Habibie, does not have full control over its armed forces and is living in fear of a military takeover, according to a senior member of his personal staff.

In remarks that will cause renewed alarm over the political stability of Indonesia, Mr Habibie's spokeswoman, Dewi Fortuna Anwar, said violent disturbances, such as those in which at least 16 people died in Jakarta last Friday, could be used by the military as an excuse to seize power. She also revealed that military commanders did not tell the President about last week's deaths until more than five hours after police and soldiers fired plastic bullets indiscriminately into crowds of unarmed demonstrators.

The first shots were fired at about 3.40pm, and foreign journalists saw the body of a student killed by a plastic bullet soon after 4pm. But, according to Ms Dewi, the President was first told about the disturbances at 9.30pm shortly before delivering the closing speech at a special session of parliament. "If it is

BY RICHARD LLOYD PARRY
in Jakarta

true that he has not been informed then of course that worries me," Ms Dewi told *The Independent*. Asked whether the government had full supremacy over the military, she said: "Not yet. We are not in a democracy yet."

"For the past 32 years, the military has been the senior party in our political system and that is what we are trying to change. If we open the way to street confrontation ... we are actually handing out the sticks to the military, and that is what we have to prevent. If you have confrontations, I am scared that the civilian authority will not have control and the military will say enough is enough, we are letting loose too quickly."

Ms Dewi's remarks explain much about the recent public statements by Mr Habibie, who has conspicuously failed to condemn the actions of the military and appears to be blaming the student and opposition movement for Friday's violence. The streets of Jakarta were calm for

a second consecutive day yesterday, but the police continued to arrest for questioning opposition politicians in what many Indonesians fear is a crackdown on critics of the government.

In a televised broadcast, the President offered condolences to the families of those killed and promised to take "firm action against those who have violated the law, including the security forces". But he blamed the unrest on unspecified groups plotting to oust his government.

"The students' movement, a bearer of moral messages, has been spoiled by irresponsible groups that want to make use of the students for their own objective of attacking the government," he said, flanked by the armed forces commander, Lt-Gen Wiranto, and his predecessor, the Political and Security Affairs minister, Faisal Tanjung. "The November 13 incident constitutes a fresh example for all of us of how dangerous and costly anarchic actions can be."

Eleven people have been summoned for questioning by the police, although by last night

none had been formally charged. They included Sri Bintang Pamungkas, a former political prisoner who was released last May from a sentence imposed for "insulting" the former president General Suharto, and Ali Sadikin, a retired general, former cabinet minister and bitter critic of Mr Habibie. Early yesterday, three more prominent opposition figures were arrested, including the soothsayer Permedi Satrio Wicaksono.

A police spokesman said there would be further summonses. "From the investigation and interrogation, there have been violations of the law covering conspiracy to acts of treason and to topple a legitimate government," Brigadier Togar Sianipar said.

Indonesia's controversial "subversion" laws were regularly used to suppress critics of Mr Suharto's so-called "New Order" regime until demonstrations and riots forced him to resign last May. Yesterday, the Muslim leader, Abdurrahman Wahid, said that "the mention of subversion is just an effort to divert public attention".

EU auditor protests at lost £3bn

LAX BRITISH Customs controls are criticised in a damning annual report from the European Union's spending watchdog, which claims that £3bn, or 5 per cent, of the Community's budget could not be properly accounted for last year.

For the fourth year running, Bernhard Friedmann, president of the EU Court of Auditors, will refuse to certify the annual accounts when he presents them to the European Parliament this morning because of the scale of financial irregularity, waste, mismanagement and loose controls. Some of the discrepancies are "honest mistakes", the report says, but outright fraud, in some cases, cannot be ruled out.

The report will be used as a stick with which to beat the European Commission. In it Brussels is accused of perpetuating a "spending culture" that measures the success of a project, or a policy, by the amount spent rather than the result achieved.

But local regional and national authorities, who handle 80 per cent of the money, are also accused of dishing out regional and farm funds recklessly, or of turning a blind eye when farmers claim too many animals in their herds or flocks.

One of the worst examples of waste in the report is £800m spent on trying to improve safety at dangerous nuclear power plants in the former Soviet Union since the Chernobyl disaster. Firms of Western consultants pocketed huge profits by sub-contracting work to Russian experts, while charging the EU 15 times the rate the experts were paid.

Safety studies were com-

BY KATHERINE BUTLER
in Brussels

missioned, at a cost of £30m, but only one report had been submitted to the Russian authorities by June 1997, 11 years after Chernobyl. The report blames a constantly changing staff as well as sloppy book-keeping and administration in the relevant Brussels unit.

Britain is criticised for 22 years of ignoring its obligation to organise checks on imports of New Zealand butter, at a loss to EU taxpayers of nearly £300m in levies by Customs. Most of the money cannot be recovered now, the auditors complained.

Grants to fishermen were another source of waste and fraud. In one case, money was allocated to modernise five Portuguese boats but the auditors found they had all sunk years previously.

All EU governments are also accused of failing to collect VAT properly, leading to a shortfall of nearly £50bn a year. This affects both national exchequers and the EU's coffers.

In a separate report, the Court of Auditors looked at agricultural spending, which absorbs more than £30bn each year. They found that six years after reforms designed to cut support to the richest farmers, 4 per cent of them still receive 40 per cent of the subsidies.

■ Neil Kinnock, the European transport commissioner, yesterday backed calls for new investment projects to create jobs, as Europe's socialist finance ministers prepared an initiative to put employment at the top of the economic agenda.

Hard times in Monte Carlo

FRANCE SHOULD consider turning off all the lights in the Principality of Monaco if the tiny country refuses to put its legal and financial house in order. This drastic threat to cut off the electricity - first used with great success, by General de Gaulle 35 years ago - was re-activated yesterday by the august and influential newspaper *Le Monde*.

It was time for the French government to play tough with this "Disneyland for millionaires, providing a refuge for cheats", the newspaper said.

Monaco, consisting of one square mile, surrounded by France, imports all its electricity from its giant neighbour. De Gaulle's successful threat in 1963 to cut off the power was a "precedent worthy of study" by the present French government, *Le Monde* said.

Relations between Monaco and France, which partly administers the principality, have been severely strained for two years. The row centres on allegations of widespread money-laundering in the country's 50 independent banks (one bank

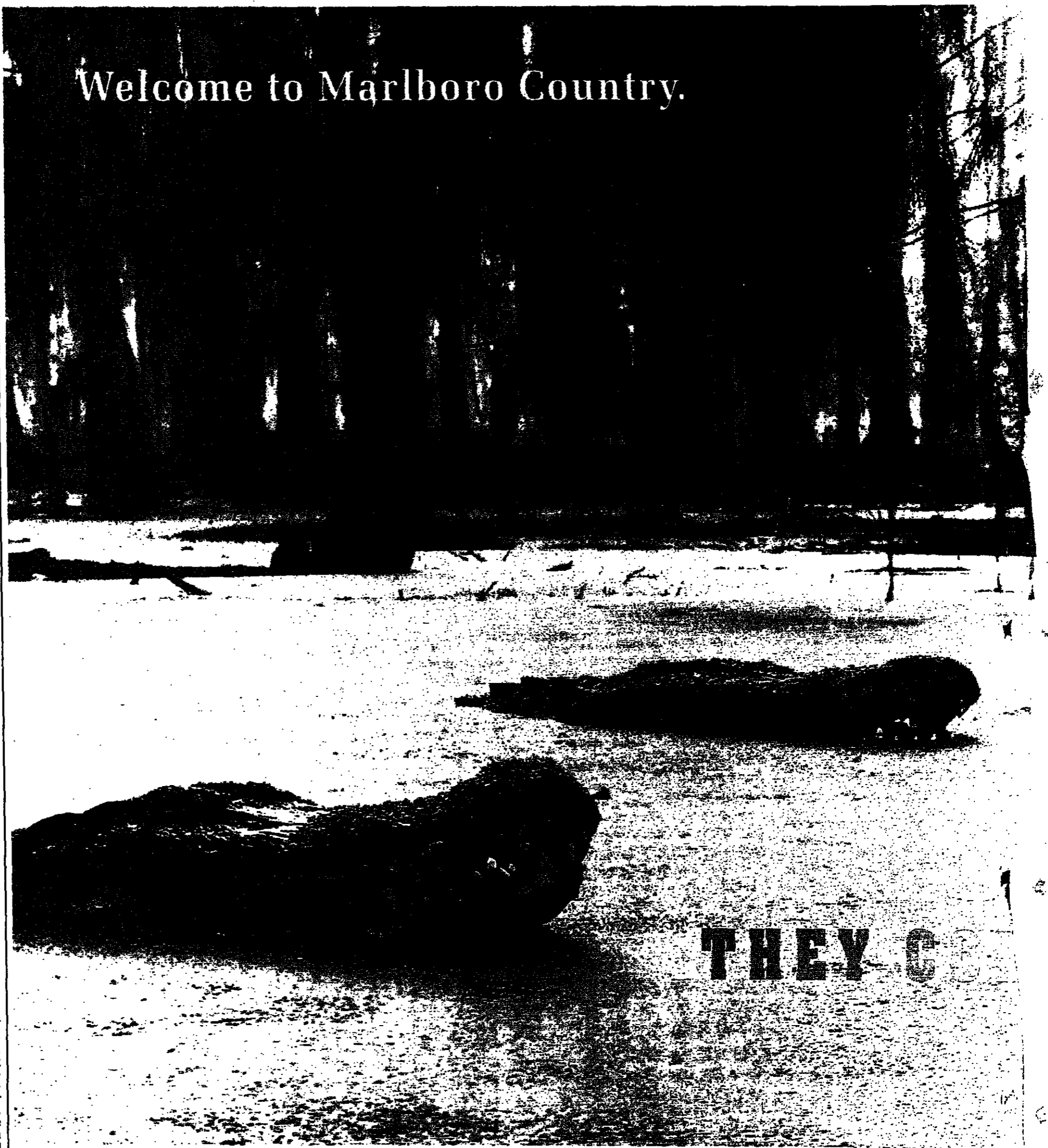
BY JOHN LICHFIELD
in Paris

for every 600 permanent residents). According to *Le Monde*, young and eager investigating judges in the principality (appointed by France) have complained of interference in their work. The interference comes, it is alleged, partly from the royal palace and partly from an older guard of magistrates and judges (also appointed by France).

The French government recently overruled Prince Rainier and refused to extend the mandate of the principality's chief prosecutor, a French official suspected of taking too lax a view of financial investigations.

Le Monde said that Monaco was passing laws of banking secrecy, denying the concept of embezzlement and accepting the proceeds of organised crime and tax fraud.

The Monaco authorities said they were doing everything in their power to discourage money-laundering and that their judicial system was the most independent in the world.



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Prostitution is one of the main businesses for gangsters in an increasingly lawless Bombay

Katz Pictures

Gangsters spread terror in Bombay

BOMBAY IS losing its nerve and its charm. India's most dynamic city has fallen prey to a wave of crime that has left 88 people dead this year.

Bombay's gangsters, their normal sources of revenue shut down or drastically curtailed, are resorting to extorting money from deeply respectable city businesses and professionals of all sorts. Terrified of being murdered for refusing their demands, businessmen have already begun moving out of the city.

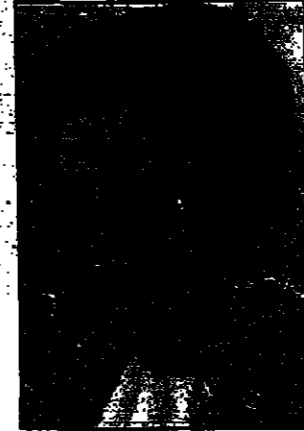
Bombay has always had its share of gangster activity, but formerly they knew their place. Gangsters involved in gold smuggling or prostitution occasionally rubbed out their rivals. In the Eighties they climbed aboard the property gravy train and grew rich that way. But today, with property prices as much as 40 per cent

By PETER POPHAM
in Delhi

down from their peak, and with gold smuggling no longer glittery thanks to import liberalisation, the *goindas* are getting desperate.

There is nothing sleazy about Kempe Corner: it is one of the more glitzy shopping sections of south Bombay. Sunil Sharma (not his real name, for obvious reasons) has run a restaurant here for many years, and has long been resigned to the fact that to stay peacefully in business he must pay *baksheesh* both to the police and the local *dada*, or crime boss.

But in the past six months the situation has got completely out of hand: gangsters claiming allegiance to as many as 26 different outfits have telephoned or visited, demanding money.



Bal Thackeray, whose word is law in the violent city

So far he has refused to pay any of them, knowing that if he pays one, the rest will find out and he will end up having to pay all of them.

But it is a game of nerves, and each brutal death in the city adds to the pressure. A month ago Deepak Shetty, who ran a private clinic in the suburb of Kalyan, was shot dead in daylight outside his clinic.

Like Mr Sharma, Dr Shetty had faced many extortion demands, but had refused to comply. Finally one of the gangs chose to demonstrate the consequences. Other professionals are under similar threat, including architects, accountants and lawyers.

Since Dr Shetty's murder, Bombay has been racked by a dozen other shootings. Victims have included a jeweller, another doctor, builders and several hoteliers.

For every man gunned down, dozens or hundreds of co-professionals are quaking in their boots, and scrambling for the wherewithal to pay off the gangsters. Bombay is paying the price for a long history of corrupt politics and brutal but erratic policing. The most powerful man in the city, the boss of the extreme nationalist Shiv Sena party, the former cartoonist Bal Thackeray, comports himself like a gang leader: last week, when a play in which

he was depicted was about to have its inaugural performance in the city, he arranged to have it banned. Though he holds no elective post, his word has long been law in the city.

Conversely, the man said by the police and the media to be the most powerful gangster in the city, Arun Gawli, recently rebranded himself as a purer-than-driven-snow politician. Mr Gawli has more than a dozen serious criminal charges pending against him, but is out on bail because *no one* will testify against him.

Even while on remand in jail a year ago, he continued to run his gang with an iron hand, sometimes even forcing his extortion victims to come to see him in his cell.

But recently he has taken a different tack, donning the Nehru cap and the homespun Gandhian cotton of the political class, and floating his own political party, ostensibly to fight the corruption of Mr Thackeray's Shiv Sena.

He also claims to have become deeply religious. "This part of my life I have dedicated to God," he solemnly told a foreign journalist last week. The police, however, say he is a cold-blooded killer and that he continues to carry out his extortionary activities as ruthlessly as ever.

As the gunshots echo and the police, who in the past have been criticised for killing gangsters in cold blood and passing off the killings as "encounter" deaths, decline to take effective action, Bombay's traders are threatening to take matters into their own hands. The Federation of Associations of Maharashtra, an organisation that embraces 750 traders' bodies in the state of which Bombay is the capital, has decided to fund and organise its own defence groups.

The alternative, it seems, is to get out of town. Two hotels and 10 private hospitals are said to have shut up shop in the past few weeks.



French spy detested US alliance

THE FRENCH Nato spy who gave military secrets to the Serbs acted from hatred of the United States, more than out of sympathy for Belgrade, according to the French press.

Because of his motivation, Commandant Pierre-Henri Bunel is on the way to becoming a hero in some sections of the French media. An article in the anti-American, but otherwise intelligent, magazine *Marianne* yesterday compared him to, among others, General de Gaulle, Joan of Arc and Sir Thomas More.

Commandant Bunel was convinced that France's real interests lay with "natural allies", such as the Serbian President, Slobodan Milosevic, and Iraq's President, Saddam Hussein, according to *Le Figaro* newspaper. He believed that the country was "hogtied" by its alliance with the US, and its membership of the Washington-dominated United Nations security council.

Far from being a traitor, Commandant Bunel apparently regards himself as a French hero. His lawyer says that he feels no shame, since his motives were "noble". By giving Belgrade details of likely Nato air-raid targets, he is convinced that he was promoting "peace" by encouraging the Serbian leadership to end its dispute with the Western alliance over the behaviour of its forces in Kosovo.

The fresh revelations will irritate the French government, which had been congratulating itself on its successful handling of the incident. As both *Le Monde* and *Le Figaro* pointed out, one of the oddest aspects of "Affaire Bunel" is that the whistle was blown—publicly—by the French government itself.

"Even a year ago, this sad story would have been dealt with within the family," said *Le Figaro*. In other words, Commandant Bunel would have been quietly moved elsewhere or ejected from the military.

By JOHN LICHFIELD
in Paris

The Jospin government decided instead to publicise the case and to place Commandant Bunel under formal investigation for "communication with a foreign power". The decision is part of a broader drive to openness and accountability under Lionel Jospin, the Socialist Prime Minister. But confessing to the problem was also judged to be good media tactics. If the affair was covered up but leaked to the US press, it was decided, it might cause a media hue-and-cry on both sides of the Atlantic.

The tactics have proved astute. The affair has received relatively modest and restrained coverage. Paris, Washington and Brussels have agreed that the incident is closed.

The French media remain fascinated, however, with the character and motivation of Commandant Bunel. *Le Figaro*, which traced many of his former army colleagues, said that he became anti-American after serving on the liaison staff between French and US forces in Saudi Arabia during the 1990-91 Gulf War. (Commandant Bunel was one of only five French officers to receive an American campaign medal.)

Contrary to earlier reports, it appears that the officer is not anti-Muslim and not particularly pro-Serb. His experiences in the Gulf convinced him that France was being forced, by its political membership of the Western alliance, to serve American interests rather than its own. "He wasn't really pro-Serb or pro-Arab. He was, above all, anti-American," said one French colonel, who used to serve with the spy.

Commandant Bunel made little secret of his opinions, posing the awkward question for the French government: why was such a man attached to the staff of the French military office at Nato headquarters?

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All international calls 20% less than BT standard rates	✓			
Free switching between tariffs	✓	✓	✓	✓
Free talk time as loyalty rewards	✓			✓
3 year warranty on all new phones	✓			
14 day phone return	✓	✓	✓	✓
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24 hour replacement service	✓			
EFR Enhanced digital sound	✓		✓	
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BUSINESS

BRIEFING

Allied Carpets still weighing offers

ALLIED CARPETS said yesterday it was still considering offers for the entire company following the sale of its troubled Carpetland subsidiary to Carpetright for £13.75m. The offers include one from Alchemy, the venture capital group, at less than 60p per share.

Allied said it had received expressions of interest at 67p a share, but that after the sale of Carpetland and an improving sales performance in remaining stores it cannot recommend an offer at this level. Allied Carpets shares closed 0.5p higher yesterday at 52.5p. Carpetright, run by Lord Harris of Peckham, has bought 29 stores from Allied, including two that trade under the Harris Carpets name.

Ousted Fisher chief's £1m payoff

NEIL ENGLAND, ousted as chief executive of the Albert Fisher food group last month, is in line for a payoff of £1m, it emerged yesterday. The sum will fuel the "rewards for failure debate" as Mr England presided over a halving of Albert Fisher profits and a share price collapse during his two-year tenure as chief executive.

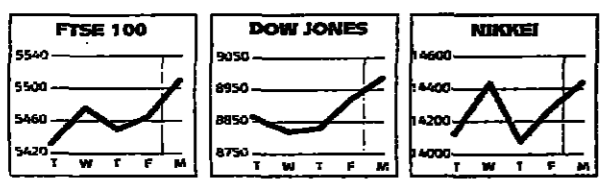
According to the company's latest annual report, Albert Fisher has struck a deal with Mr England under which he will be paid up to £470,850 in the current year, £565,020 next year and £94,170 the year after. The company said the payments would cease if Mr England found another job, although it will have to make up the difference for two years if the new salary is lower.

Emap looks to US for expansion

EMAP, the magazine publishing group, is considering plans to expand into the US market by linking up with a local publishing house. Emap chief executive, Kevin Hand, said he had received numerous approaches from US publishers keen to launch FHM, the group's men's magazine. "I don't think we'll license the title because that usually means low reward for low risk." He said the company might create a joint venture to introduce FHM and other Emap titles, such as health magazine *Top Santé* and new women's magazine *Red* in the US. His comments were made as Emap shrugged off worries about a possible slowdown in advertising spending with an 11 per cent rise in underlying pre-tax profits for the six months to September.

Investment column, page 25

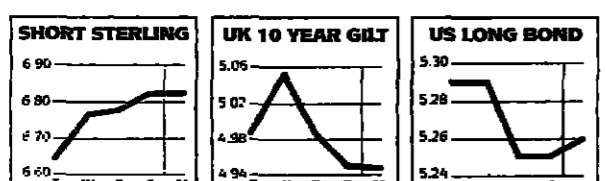
STOCK MARKETS



Dow Jones index and graph at 5pm

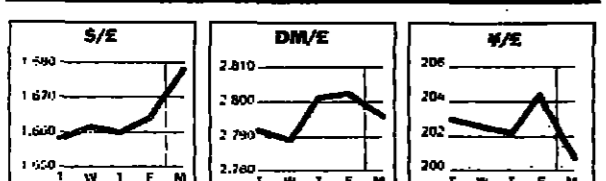
Index	Close	Change	Change (%)	52 wk high	52 wk low	Yield (%)
FTSE 100	5510.50	47.30	0.87	6183.70	4999.20	0.98
FTSE 250	4835.60	9.20	0.19	5970.90	4247.60	2.09
FTSE 350	2623.20	19.60	0.75	2969.10	2210.40	1.17
FTSE All Share	2536.44	18.00	0.72	2886.52	2143.53	1.28
FTSE SmallCap	2067.20	0.10	0.01	2783.80	1834.40	3.50
FTSE Pledging	1137.40	1.00	0.09	1512.10	1046.20	3.60
FTSE AIM	828.40	8.00	0.98	1146.90	761.30	1.12
FTSE EBLLOC 100	909.46	20.08	2.26	...	...	...
Dow Jones	8980.39	74.15	0.83	9367.84	7400.30	1.66
Nikkei	14428.27	160.06	1.12	17352.95	12787.90	1.02
Hang Seng	10298.09	300.10	3.00	11926.16	6544.79	3.03
Dax	4763.77	144.12	3.11	6217.83	3777.28	1.85

INTEREST RATES



Index	3 month	6 month	1 year	2 year	3 year	5 year	10 year	15 year	20 year	30 year
UK	6.99	6.71	6.49	6.15	5.94	5.70	5.58	5.58	5.58	5.58
US	5.41	4.67	5.11	5.09	4.84	4.84	4.84	4.84	4.84	4.84
Japan	0.40	0.02	0.45	0.02	0.87	0.98	1.42	1.02	1.02	1.02
Germany	3.64	0.12	3.55	0.58	4.21	4.36	5.18	5.18	5.18	5.18

CURRENCIES



Index	3 month	6 month	1 year	2 year	3 year	5 year	10 year	15 year	20 year	30 year
US	1.6786	+1.53c	1.6698	...	...	...	...	...	...	...
DM	2.7955	-1.33pf	2.9363	...	...	...	...	...	...	...
Yen	200.74	-13.18	213.25	...	...	...	...	...	...	...
£/dollar	100.80	-0.50	104.10	...	...	...	...	...	...	...

OTHER INDICATORS

Index	Close	Chg	Yr Ago	Index	Close	Chg	Yr Ago
Street Oil (\$)	11.31	-0.20	19.26	GDP	115.40	3.00	112.04
Gold (\$)	295.15	-0.80	...	RPI	164.40	3.20	159.30
Silver (\$)	5.04	-0.09	5.06	Base Rates	6.75	7.25	...

www.bloomberg.com/uk SOURCE: BLOOMBERG

TOURIST RATES

Australia (\$)	2.5266	Mexican (nuevo peso)	15.09
Austria (schillings)	19.05	Netherlands (guilders)	3.0528
Belgium (francs)	55.96	New Zealand (\$)	2.9794
Canada (\$)	2.5221	Norway (krone)	12.11
Cyprus (pounds)	0.7994	Portugal (escudos)	275.78
Denmark (krone)	10.37	Saudi Arabia (rials)	6.0824
Finland (markka)	8.2936	Singapore (\$)	2.6250
France (francs)	9.1061	Spain (pesetas)	230.12
Germany (marks)	2.7206	South Africa (rand)	9.1786
Greece (drachma)	457.94	Sweden (krone)	13.14
Hong Kong (\$)	12.53	Switzerland (francs)	2.2469
Ireland (punts)	1.0890	Thailand (bahts)	55.99
India (rupees)	63.52	Turkey (liras)	475307
Israel (shekels)	6.8405	USA (\$)	1.6306
Italy (lira)	2.694		
Japan (yen)	199.93		
Malaysia (ringgits)	6.0828		
Malta (lira)	0.6094		

Rates for indication purposes only

Source: Thomas Cook

Axa poised for £2.5bn GRE insurance bid

AXA, the world's biggest insurer, is considering a £2.5bn takeover of Britain's Guardian Royal Exchange in an effort to boost its presence in the UK market. A move could be imminent, some sources say.

Any bid would be almost certain to be made through Sun Life and Provincial Holdings, Axa's separately quoted UK offshoot, although Axa might have to step in to help fund the deal.

GRE, the smallest of the British composite insurers with a market capitalisation of around £2.4bn, has embarked on an internal restructuring aimed at giving the group a chance of remaining independent in the medium term.

However, the City remains

BY JEREMY WARNER AND ANDREW GARFIELD

sceptical about GRE's long-term future and is still angling for a takeover bid for the group. Some big City investors believe GRE is too small to survive in a fast-consolidating insurance sector and are unconvinced about the prospects for growing the PPP healthcare business when the Government is committed to building up the National Health Service.

One of the main obstacles to a deal could be GRE's chief executive, John Robins, who is determined to keep the group independent.

Axa has made no secret of its wish to expand by acquisition in the UK. It is also keen to grow

the UK shareholder base of Sun Life and Provincial, which is 72 per cent owned by Axa.

Axa has been seeking to build its position in home and motor insurance on the back of its sponsorship of football's FA Cup. GRE's £300m UK and Irish motor book would give the firm much-needed bulk in a competitive market.

Axa chairman Claude Bebear admitted some months ago that he had been targeting a company in the UK quoted sector but had been put off by the high prices financial assets were fetching.

However, since then GRE's share price has fallen more than 30 per cent: the shares closed yesterday at 275p, barely in line with its net asset value.

Sun Life and Provincial has a market value of around £4bn. Axa, its parent, is capitalised at £25bn and would have no problem finding the cash to pay for the right acquisition.

Axa's last major UK move was to merge its existing Equity & Law business with Sun Life, where it had acquired a controlling stake through the all-French insurance merger with UAP in 1996. Axa, which controls Equitable Life in the US and National Mutual in Australia, is also keen to build up its UK shareholder base. A merger with a UK player would be the obvious route to this goal.

Executives at Axa were last night unavailable to respond to questions about a bid for GRE. A spokeswoman said later:

"This is market rumour. It is not our policy to comment." A senior executive of GRE said he was not aware of any approach from Axa.

Analysts said yesterday that the injection of Guardian's small life insurance business into PPP, the healthcare business acquired earlier this year, had made GRE more rather than less attractive to any predator.

"The restructuring is too little, too late. Sun Life will be buying into a business where someone has already done the hard work for them," said Matthew Wright, insurance analyst at Daiwa. "It is not an overly compelling deal for them, but there aren't any massively obvious fits left."

Formula One calms inquiry fears

BY PETER THAL LARSEN

FORMULA ONE, the secretive company run by Bernie Ecclestone, yesterday tried to quash worries about an investigation into its affairs by the European Commission which are threatening to scupper its plans to raise \$2bn from the sale of corporate bonds.

Formula One Administration, the holding company responsible for issuing the bonds, yesterday rushed out a statement stressing its belief that issues raised by the Commission investigation "have now been, or can be, dealt with".

The statement contradicts an investigation by the BBC Panorama programme, broadcast last night, which alleged that Mr Ecclestone had made misleading statements about the Commission investigation in an attempt to convince investors to buy the bonds.

The roadshow to sell the bonds moved into top gear yesterday, with 200 potential investors convening at a London hotel to hear a presentation about the company's prospects.

Formula One Administration is attempting to raise cash by selling bonds backed by future revenues from the sale of live television rights to Formula One races. Revenues from the rights are expected to grow over the next few years following the launch of digital television, which enables viewers to choose the camera angles from which they want to watch the race.

Formula One Administration's grip on the rights could be



Bernie Ecclestone, head of Formula One, met investors in London yesterday as eurobond sale gets under way

jeopardised by the Commission inquiry, which aims to determine whether the company's 15-year deal with the Federation International Automobile, the governing body to secure the rights is anti-competitive.

Panorama claimed the Commission disagreed with Formula One Administration's

suggestion that issues raised by the investigation could be dealt with. But the company yesterday pointed out that the Commission had not issued a formal statement of objection.

The bond issue, which is shrouded in secrecy, follows a failed attempt by Mr Ecclestone to float Formula One on the stock market last year. He has yet to disclose what the \$2bn he raises will be used for.

Meanwhile, Warburg, Pincus, the fund management group, yesterday took an equity stake in Jordan Grand Prix, the Formula One racing team run by Eddie Jordan, for an undisclosed sum. The move comes

after Mr Jordan admitted he was keen to attract outside investment. Dominic Shorthouse, managing director of Warburg, Pincus in London said: "Eddie Jordan has demonstrated all the qualities of a dynamic and successful entrepreneur. We now have the platform to build a championship winning team."

Mr Shorthouse said the aim was to double revenues each year for the next few years. If C&W achieved that target, then sales could be as high as £3bn by 2004. BT has set itself a target of generating £4bn of revenue from Europe by 2007.

Europe is the second biggest telecoms market in the world worth about £100bn a year.

Mr Pettit said the expansion would transform C&W's presence in Europe from "corner shops on A-roads to hypermarkets on motorways".

C&W is acquiring part of its European network from Hermes Europe Railtel, a telecoms transmission system owned jointly by a number of continental railways. It is also paying Global Crossing about \$50m to acquire a 7,200km network capable of handling 5 million calls at once.

Ashcroft buys Abacus recruitment for £15m

MICHAEL ASHCROFT, the millionaire treasurer and financial backer of the Conservative Party, bounced back into the City spotlight yesterday with the £14.6m acquisition of recruitment group Abacus.

Mr Ashcroft, a Florida-based tax exile who made £150m selling his ADT security and car empire to US group Tyco last year, used his Carlisle Holdings investment vehicle to offer 18p in cash and paper for each Abacus share - a 40 per cent premium on Friday's close.

The deal, Carlisle's first acquisition since it floated on the

BY FRANCESCO GUERRERA

junior AIM in July, will net Gary Ashworth, the Abacus founder and chief executive, over £8.5m. Mr Ashworth, who founded Abacus at 21 and floated it on AIM two years ago, will remain as head of the group's recruitment division.

The purchase of Abacus is the first step of Mr Ashcroft's strategy to build Carlisle into a large services group centred on recruitment, security and cleaning services. The Tory grandee, whose personal fortune is estimated at around

£500m, formed Carlisle through the acquisition of a defunct property company chaired by Nigel Way, the property tycoon.

Mr Ashcroft, a Belize national recently appointed the country's UN ambassador, injected Capital Group, an AIM-listed security specialist, Recruit, a private recruitment business, and LI Group, a cleaning outfit, into Carlisle.

This year Abacus posted a pre-tax profit of £1.74m, up from £386,000 in 1996. Shares in Abacus yesterday soared 42.5p to 177.5p. Carlisle closed 0.75p up at 15.5p.

Microsoft judge laughs over Gates wordplay

THE US judge in the Microsoft antitrust case shook his head in disbelief and laughed yesterday as the court watched Microsoft chairman Bill Gates questioning what was meant by the words "concern," "compete" and "wre" in his videotaped pre-trial testimony yesterday.

Much of the hour-long segment related to the Justice Department's lead attorney, David Boies, pushing Mr Gates to say which company Microsoft saw as its largest competitor in the Internet browser market in January 1996.

Mr Gates repeatedly dodged

Mr Boies' questions, although internal Microsoft e-mails and documents have shown that the company viewed Netscape Communications' Navigator browser as its biggest rival.

"My question is what non-Microsoft browsers were you concerned about in January 1996?" Mr Boies asked. "Is it - are you asking me about when I wrote this e-mail or what are you asking me about?" Mr Gates said.

"That month?" Mr Gates asked. "Yes, sir," replied Mr Boies. "And what about it?"

Mr Gates questioned again.

"What non-Microsoft browsers were you concerned about in January of 1996?" Mr Boies repeated. "I don't know what you mean 'concerned,'" Mr Gates said.

"What is it about the word 'concerned' that you don't understand?" Mr Boies replied. "I'm not sure what you mean by it," Mr Gates said.

The Justice Department and 20 states allege Mr Gates orchestrated a scheme to protect Microsoft's Windows monopoly and crush possible threats.

- Bloomberg

AROUND THE WORLD'S MARKETS

LONDON

SHARES CLOSED higher but below their best levels. Footsie, at one time up 77.5 points, ended 47.3 firmer at 5,510.5. The mid cap index rose 9.2 to 4,835.6 and the small cap managed just taken headway. The market was encouraged by hopes of another cut in US interest rates.

Vodafone, the mobile phone group, was the best performing blue chip, rising 41.5 to 861.5p, ahead of today's figures and a higher valuation for its soon-to-be floated Greek offshoot.

Derek Pain, page 25

NEW YORK

STOCKS ROSE on optimism that the Federal Reserve will cut interest rates today. Ted Bridges at Bridges Investment Counsel believes "10,000 on the Dow by year-end is not outside the realm of possibility." The Dow rose 72.61, or 0.8 per cent, to 8982.20 in midday trading, after rising above 9000 for the first time in three and a half months.

The Dow has climbed 22 per cent from the 1998 low of 7400.30. It reached on 1 September, and is within striking distance of its record of 9337.97, set on 17 July.

TOKYO

STOCKS ROSE moderately on hopes of a US interest-rate cut today and an encouraging response to weekend apartment sales in the territory. The Hang Seng index ended up 300.10 points, or 3 per cent, at 10,298.09. Buying interest in Hong Kong was focused on the property sector after Sino Land said that weekend apartment sales had gone well. Any change in US interest rates is usually matched by Hong Kong's banks owing to the Hong Kong currency's peg to the US dollar.

News analysis, page 22

PARIS

SHARES GAINED sharply on hopes of a US interest-rate cut today and an encouraging response to weekend apartment sales in the territory. The Hang Seng index ended up 300.10 points, or 3 per cent, at 10,298.09. Buying interest in Hong Kong was focused on the property sector after Sino Land said that weekend apartment sales had gone well. Any change in US interest rates is usually matched by Hong Kong's banks owing to the Hong Kong currency's peg to the US dollar.

FRANKFURT

SHARES CLOSED higher amid expectations of a US rate cut and talk of mergers in the chemical sector. The Xetra DAX closed at 4,785.76, up 141.96 while the DAX ended the floor session up 144.12 at 4,783.77. Traders said the German market, which normally weakens when the US dollar falls, held up despite easing against the dollar. "This perhaps shows the market has stabilised," said one. Chemicals led gainers on reports that Hoechst and Rhône-Poulenc will merge.

JP 11/15/98

How Asia has mugged British Steel

BRITISH STEEL used to be the stock market's favourite currency play. By way of a simple arithmetic formula profits, could be adjusted up or down by £10m for every one penny that the German mark moved against the pound.

For the last three years this has allowed the analysts to plot British Steel's fall from grace and its exit from the FTSE 100 Index with an unusual degree of accuracy.

Sir Brian Moffat belly-ached like mad, of course, about the strength of the pound and the damage it was doing to the bottom line. All the while, however, he was ferociously trimming the cost base so that British Steel, already the most efficient steelmaker in Europe if not the world, could live with even the most ruinous exchange rate.

The latest hatchet job involves cutting heads by 12,000, of which 5,000 will have gone by the end of this financial year. By the time the programme is complete, British Steel will be a mean, lean beast indeed.

As a small bonus the exchange rate formula has at last begun to swing back in Sir Brian's direction. Sadly, just as this happened the business was mugged by the steep-



OUTLOOK

est decline in prices he can remember in his working life. The backwash from the Asian crisis has left the world swimming in unwanted steel.

Like iron filings to a magnet, it went first to the United States, where the Clinton administration promptly threatened anti-dumping duties. Now the tide has turned towards Europe. The result is that imports are at double normal levels and the price of hot-rolled coil has slumped by 30 per cent in the space of less than three months.

The impact on British Steel has been like an iron bar on the head. Profits were down by a quarter in the first six months and British

Steel is facing a sizeable loss for the full year. Sir Brian has pledged to maintain the dividend but will have to dig deep into reserves to do so.

British Steel reckons the UK will be in recession next year notwithstanding the Government's belief that it will not. While there may not be much Tony Blair can do to avert this, he could help British Steel out by getting tougher on the dumping of steel from Asia and eastern Europe. For once, this is not a crisis in manufacturing that the Government can explain away by citing the productivity gap.

Single currency

WITH JUST 44 days to go before D-day for the single currency, there is still a lorryload of detail yet to be agreed, defined, refined and announced to the outside world about how the European Central Bank, which will determine European interest rates, will work in practice.

One of those things is quite how open and accountable the ECB will be. Wim Duisenberg, the ECB's president, has already said that minutes of the ECB's deliberations will not be published for many years.

He's against all this accountability lark, you understand, not because he's undemocratic but on the not unreasonable grounds that the more public the ECB is about what it's doing, the more prone it will be to hickering and the pursuit of national self-interest. Leave it to us technocrats, we know what we're doing, seems to be his attitude.

On the other hand, there's nothing in the ECB's terms of reference to say it cannot publish minutes, and the issue has yet to be decided finally. On the face of it, Britain has no say in these matters, since it is not among the 11 countries founding the single currency and is not represented on the ECB board. But that's not stopping Gordon Brown, the Chancellor, mounting a campaign for greater openness, a case he is pressing vigorously among finance ministers in Europe. When he meets Oskar Lafontaine on Thursday he may be pushing at an open door.

Mr Lafontaine, Germany's new finance minister, is already at odds with central bankers over interest rates, which he thinks too high for Germany, and although he hasn't said so overtly, he's bound to be in the greater accountability camp. Mr Brown is working with Mr La-

fontaine and other left leaning European finance ministers on a statement - provisionally titled "The New European Way: Economic Reform and the Framework for Economic and Monetary Union" - which will address some of these issues.

As a recent paper by the Centre for Economic Policy Research said, one of the biggest potential problems faced by the ECB is that in a recession, fiscal discipline is likely to break down, forcing the ECB into an every tougher policy stance on interest rates. In these circumstances it is vital that some cooperation between fiscal and monetary authorities is maintained. In a world where there is no public explanation of why rates are changed and no knowledge, other than by leak and innuendo, of how council members have voted, this would be difficult to the point of impossibility.

Members of the Bank of England's Monetary Policy Committee are generally doing a good job at explaining themselves, not just through the presence of regularly published minutes of their meetings, but also through the speeches they give which illuminate the methodology used in reaching interest rate decisions, thus opening it up to

public debate and through explanation reinforcing its credibility.

There is no such transparency planned for the ECB. Just to give one example of the effect of this, Mr Duisenberg does plan to publish an inflation target, but there will be no inflation forecasting. As there will be no explanation of interest rate decisions, the outside world will be left to speculate and guess at how the ECB might respond to deviations in inflation, what lead times it might apply and how sensitive it thinks prices are to movements in rates.

A quite unacceptable degree of uncertainty verging on the arbitrary will enter proceedings, and the ECB will find itself wide open to criticism and ridicule. It may be that by the time Britain enters the euro, the necessary degree of public accountability has already been injected, but certainly there could be no question of going in without it.

Formula One

BERNIE ECCLESTONE is undoubtedly an outstanding, if controversial entrepreneur. But in the financial markets he is becoming something of a joke. Formula One,

the motor racing rights business Mr Ecclestone built up from scratch, has already been through a failed flotation. Now Mr Ecclestone is back peddling a plan to raise \$2bn by securitising the company's future television revenues.

No sooner has the investor roadshow started, however, than Mr Ecclestone finds himself turning into the pits again, accused of making misleading claims about an European Commission investigation into his company's stranglehold on Formula One television rights. His advisers insist everything is above board. Unfortunately, the prospectus for the bond issue remains a semi-secret document, available only to potential investors, so we don't know this to be the case. No doubt some professional investors will dutifully read the numerous financial health warnings and then take the plunge anyway. The question is whether they will give Mr Ecclestone the price he wants. The deal when raising money from the financial markets is that you trade information for cash. As long as Mr Ecclestone's affairs remain so shrouded in secrecy, the City will continue to demand a quite a price for backing him.

Action to boost credit unions Brussels wins new power to tackle illegal state aid

THE GOVERNMENT yesterday launched a package of measures to stimulate the growth of credit unions as part of its drive to end the exclusion of 2.5 million people from financial services.

Patricia Hewitt, Economic Secretary to the Treasury, said: "We have one of the most competitive and sophisticated financial services sectors in the world - but some people are still missing out. And for those people financial services mean cheque-cashing shops and illegal loan sharks."

"Credit unions have been doing invaluable work by providing savings facilities, low-cost credit and financial

education to the less well off. The Government is determined to encourage the sector."

Credit unions are small, mutually-owned savings groups which make loans as low as £50 to their members, typically at interest of 1 per cent a month.

Members must share a "common bond", such as working for the same employer or living in the same area. Examples range from News International at Duckinworth, a local credit union in Manchester.

Whereas a quarter of US workers belong to a credit union, there are only 216,000 UK members. Assets are £118m.

The Government's reforms, in the form of proposals in a consultation document, aim to help credit unions by relaxing arcane legal restrictions. The reforms are aimed at the 2.5 million people who have no building society or bank account.

A cap on membership of 5,000 people will be lifted, while rules defining the "common bond" will be eased. Credit unions will be allowed to borrow from sources other than banks and offer basic services such as bill payment.

Unions will also be allowed to offer interest-bearing share accounts. The Treasury proposes to lift a cap on savings by under 18s from £750 to £5,000.

The Financial Services Authority will regulate the unions.

However, there was disappointment yesterday from the credit unions themselves, which wanted the reforms to go further. The Association of British Credit Unions (ABCU), a trade body, said it was dismayed the Treasury had rejected several key requests.

Chris Smith, spokesman for the body, said: "The restrictions we have in place are probably the worst in the world. On the one hand they say they will relax the rules. But on the other hand they seem to be taking things away."

Mr Smith said new conditions, including a 10 per cent

minimum on capital reserves, could hinder rather than help. The Treasury has also refused to lift the ceiling on savings above £5,000 per member.

"We feel that there is a definite will in the Government to do something about this, but there doesn't seem to be the same will in the Treasury. We just want it to be freed up a bit," Mr Smith said.

Members of credit unions rarely default because of the common bond. Bad loans typically amount to less than 1 per cent of a loan book, against 4 per cent for high street banks. Surpluses go into reserves or are distributed to members through a dividend.

NEW MEASURES to clamp down on illegal government subsidies to European industry were agreed yesterday, giving Brussels tough new powers to order cash to be repaid.

Industry ministers agreed to a British-backed package of measures to help achieve a level playing field among manufacturers in the single market. The regulation is likely to come into effect next year.

The European Commission already has powers to approve or reject state industrial aid. It can set conditions requiring a company to restructure to ensure fairness in the 15 EU states.

BY STEPHEN CASTLE in Brussels

The regulation, adopted yesterday in Brussels, gives the Commission more power to recover unlawful aid and monitor conditions attached to the multi-billion pound grants made available legally each year.

In some circumstances EU officials will be allowed to visit companies suspected of breaching the rules, inspect records and interrogate staff.

In Germany the recovery of illegal state aid can take up to eight years because of cumbersome legal procedures.

Volkswagen is among German companies known to have received unlawful financial assistance. British textile manufacturers have also lost out to Belgian firms known to have benefited from subsidies which did not match EU criteria.

Lord Simon, Minister for Trade and Competitiveness in Europe, said: "Too many governments flout the rules on how these subsidies can be paid. These new powers should help to clamp down on the worst abuses and excesses. The UK has set an example by being one of the lowest subsidisers in the EU."

VOLVO

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Japan unveils £118bn rescue deal

News Analysis: The markets are not convinced that tax cuts and free shopping coupons will halt the economic decline

BY LEA PATERSON

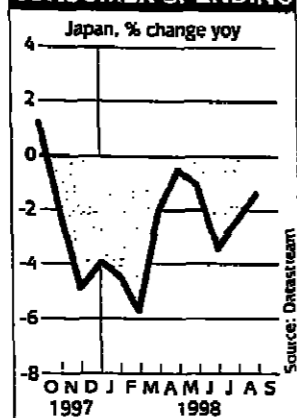
THE JAPANESE government yesterday unveiled its biggest economic rescue package – worth £118bn – in an attempt to drag its economy out of its deepest recession since the Second World War. It plans to slash taxes, pump up investment, and, in a highly unusual step, issue free shopping coupons to tens of millions of consumers in an attempt to get the economy back on track again.

But the markets are not convinced – most analysts believe the package will fail to halt the slump in the world's second largest economy. If £118bn cannot solve Japan's problems, what can?

The scope of Japan's economic and financial difficulties is extraordinarily wide. The country is in the grip of a deep recession. The economy is expected to contract by 2.6 per cent this year, and, at best, will stagnate in 1999. Indeed, total demand is so far below potential supply – that is, the output gap is so large – that prices are falling.

Asset prices have collapsed and the levels of indebtedness are nothing short of staggering. Banks are refusing to lend to all but the most creditworthy, and many fear the financial system is close to collapse. With both unemployment and corporate bankruptcies at record highs – the latest figures show business failures up for the 17th consecutive month – it is no wonder

CONSUMER SPENDING



that even the promise of "free money" may fail to tempt consumers back into the shops.

In most countries, the authorities respond to the threat of looming recession in three ways. First, they cut interest rates. Second, they loosen fiscal policy, by cutting tax and/or boosting spending. Finally, they may embark on so-called "structural" reforms which try and improve the way the economy works, although these are generally a longer-term solution.

In Japan's case, interest rates are virtually zero, and have been for many months. Rates cannot fall much further – only by 0.25 of a percentage point or so – and a cut of such a small size will make no difference to Japan's economic position. This means the authorities have to rely on a combination of fiscal measures and longer-term structural re-

forms to pull the economy out of the mire.

So, on the face of it, the Japanese authorities seem to be doing the right thing. They have announced a massive fiscal package and have approved plans aimed at restoring confidence in the debt-ridden financial system. So why are analysts so pessimistic?

The difficulties lie less with the general principles – cutting tax, boosting spending and sorting out the banks – and more with implementation.

Take the fiscal package first. Despite the large headline number, which, at £118bn, is £20bn higher than the markets were expecting after the ruling Liberal Democratic Party outlined the package last week, analysts have their doubts. Experts say the headline number is "exaggerated" and many say tax cuts will do little to boost consumption.

As Lehman Brothers put it in a research note issued last week, before the precise size of the package was known: "The package appears to contain the usual exaggerations, and given a flimsy private sector base and compositional shortcomings, we have little faith in its ability to do more than partially fill a cavernous output gap."

Economists say the proposed cuts in income tax, which will take the top rate of tax from 65 per cent to 50 per cent, will simply be saved not spent. The government also plans to cut other rates of income tax, al-

though it is unlikely to spell out details until the new year.

Reaction to the government's proposal to issue 35 million consumers – mostly the under-15s and the elderly – with gift vouchers worth £100 each has been equally unenthusiastic.

Neil Parker, at the Royal Bank of Scotland, said the plan – first suggested by Japan's Buddhist party – would mean that customers would substitute one type of spending for another. The lucky recipients would simply switch from

spending cash to spending vouchers and there would be no overall boost to consumption.

What the markets would like to see is a cut in so-called consumption tax – an indirect tax like VAT. The government's decision to hike consumption tax back in April 1997 is widely blamed for helping to tip the economy into recession. But the government is said to regard such a volte-face on tax as politically unpalatable.

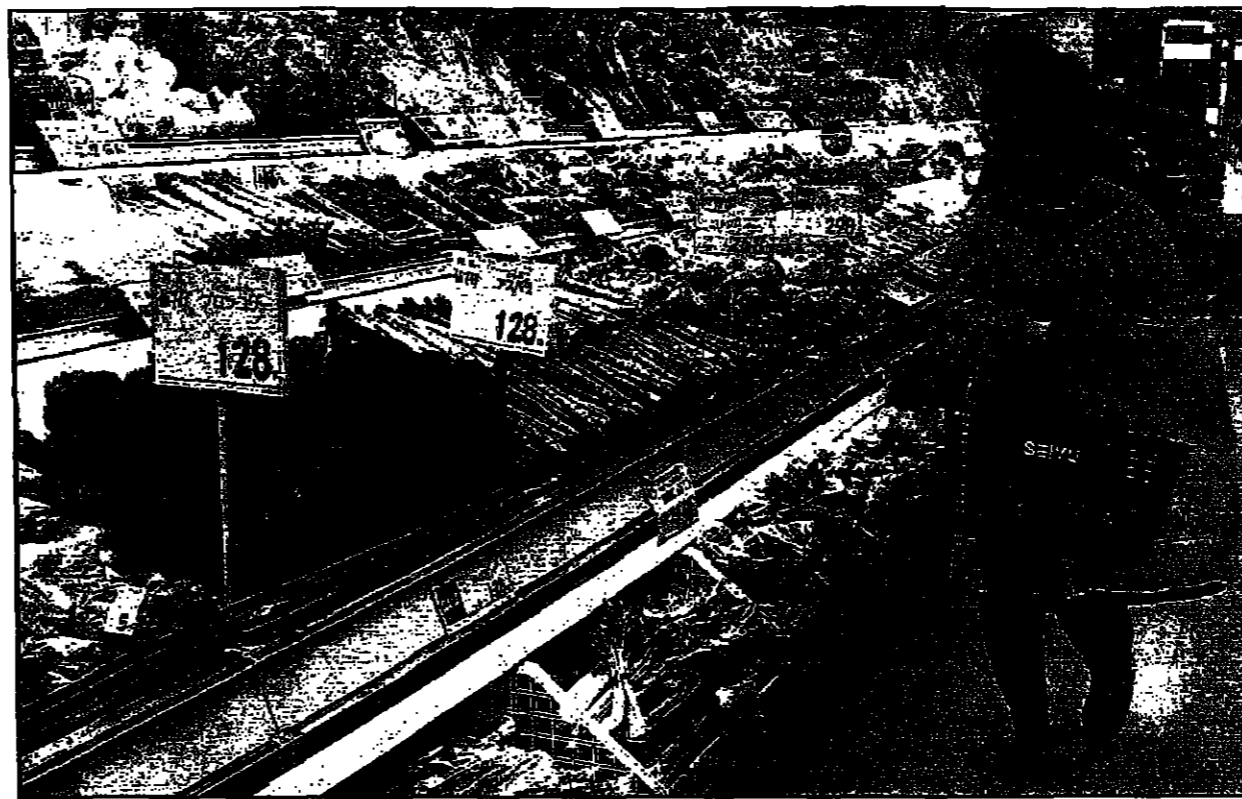
Banking reform is the other area where the markets are

keen to see action. There has been some progress here – the government has passed bills to allow the authorities to help banks in trouble, but only if the banks agree to come forward. But the markets feel the government has not done enough.

According to Stephen Lewis, chief economist at Monument Derivatives, the conditions attached to official assistance are so strict that few banks were willing to ask for help. Many in the markets advocate a mandatory scheme, where struggling

banks are taken over by the government and are forced to either restructure or close.

So although the latest Japanese package looks impressive at first, many believe there is not enough meat on the bones. Key proposals – such as cutting consumption tax – are conspicuously absent. Banking reform is progressing painfully slowly, and politics is all too frequently put before economics. Despite the claims of the policy-makers, the Japanese economy is far from being back on course.



A shopper checks vegetables in a Tokyo supermarket, but it may take more than "free money" to tempt back consumers

IN BRIEF

Electricity choice spreads further

COMPETITION in electricity supply will be extended to a further 4 million customers by mid-December, it was announced yesterday. "Over 1 million customers have already signed up to change their supplier," said a spokesman for the Electricity regulator. Total customers with access to competition has risen to more than 5.5 million. Domestic customers can save £40 on an annual bill of £275 by switching, the spokesman said.

Air traffic grows

PASSENGER TRAFFIC at BAA's seven UK airports rose by 6.4 per cent on the same month last year, with strong growth on North Atlantic routes. BAA said its passenger total climbed to 10 million. Traffic on North Atlantic routes rose 10.1 per cent, while other long-haul routes gained 6.5 per cent, the biggest annual increase in more than a year. Shares in BAA closed up 13p at 661p.

Asian acquisition

BERISFORD, the Magnet Kitchens and Wellbri ovens business, hopes to announce an Asian acquisition by year-end. A deal is likely to be in the catering equipment, which supplies ovens and grills to fast service outlets.

Sidlaw profit rise

THE SIDLAW GROUP, a food packaging company, announced a 67 per cent rise in pre-tax profits to £8m for the year to September. Chief executive John Durston said demand for food "does not fluctuate significantly during an economic downturn".

Abbot windfarms

SHARES IN Abbot rose 21p to 195p yesterday after the oil services group unveiled plans to develop and operate windfarms around the UK with PowerGen. Abbot said it would acquire 50 per cent of the issued share capital of PowerGen's unit, PowerGen Renewables, for £5.35m and subscribe for 150,000 new ordinary shares in the unit.

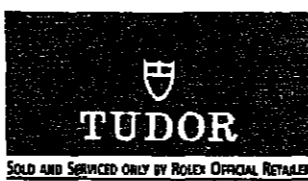
Wardle pressed

BRIAN TAYLOR, chief executive of UK industrial group Wardle Stores, said the strength of sterling "continues to exert pressure on our prices" and will reduce profits by up to £1m this year. Announcing a rise in pre-tax profits of 12.5 per cent to £14m, Mr Taylor said he expected a sharp rise in revenues from the Inflatable Systems Division, which makes hi-tech products for the shipping industry and the military.

The New Tudor Chronograph, around £1,000.



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Marston agrees Nomura pub deal

BY CLIFFORD GERMAN

MARSTON, the Burton brewer, yesterday brushed aside a possible merger approach from Wolverhampton & Dudley and signed a package deal with Nomura investment banking arm to securitise most of its tenanted pubs in return for £135.3m cash.

At least £60m will be returned to shareholders if they approve the deal at a meeting on 9 December. The balance will be invested in improving the rest of the Marston estate, including the brewery, 259 managed houses and its flagship Pitcher & Piano and Via Vita chains.

W&D is expected to challenge the deal, which gives Marston the exclusive right to continue supplying the pubs for only four years. Last week the City was expecting W&D to bid around 275p a share for Marston and the shares fell 17p to 226.5p yesterday.

The deal with Nomura will

also create an exceptional profit of £30m for Marston this year, and the 569 tenanted properties in the deal will revert after 28 years to a holding company in which Marston has a 51 per cent stake.

In the meantime the estate will be run by a management company. The profits from the tenancies (£15.8m in the year to 28 March) will go to pay the interest on bonds issued to raise finance for the transaction.

The finance will come from about a dozen institutional investors that are putting up £155m for a package of fixed-rate and floating-rate bonds. Almost £20m will be swallowed up by fees, including £5m in stamp duty and £2.5m retained to invest in the pubs, plus legal costs and fees to Nomura and Lazards as financial advisers.

COMPANY RESULTS

Name	Turnover (£)	Pre-tax (£)	EPS	Dividend	Pay day	X-div
Adams and Harvey (Grp)	13,180m (17.515m)	1,519m (2,552m)	18.8p (32.8p)	8.0p (12.5p)	05 01 99	30 11 98
Applied Holographics (I)	7,225m (5.32m)	1,021m (0.087m)	3.7p (0.27p)	0.0p		
Bechtel Group (I)	2,020m (1,825m)	0.27m (1,825m)	0.27p (0.27p)	0.0p		
Berkshire (I)	583.4m (532.3m)	50.2m (50.4m)	30.4p (27.3p)	9.5p (5p)	07 01 99	04 01 99
James Cropper (I)	25,091m (25,577m)	0.875m (1.470m)	5.0p (11.0p)	1.4p (1.4p)	08 01 99	14 12 98
EMAP (I)	410.2m (276.1m)	65.4m (47.4m)	20.7p (12.0p)	5.7p (4.5p)	08 01 99	30 11 98
GB Railways (Grp)	43.2m (43.1m)	7.7p (2.5p)	7.7p (2.5p)	1.5p (0.5p)	25 01 99	22 11 98
Marston, Thurst & Berridge (I)	114.5m (108.5m)	14.7m (15.8m)	11.72p (12.71p)	3.3p (0.0p)	30 11 99	22 11 98
Pillar Property (I)	21.4m (28.7m)	10.0m (6.85m)	4.9p (3.4p)	2.0p (1.0p)	06 01 99	14 12 98
Timothy (I)	65.5m (52.7m)	8.5m (11.0m)	8.5p (13.0p)	3.1p (3.1p)	29 01 99	23 11 98
Widder Group (I)	154.53m (137.58m)	7.02m (2.97m)	9.1p (5.9p)	2.75p (2.5p)	07 04 99	04 01 99
W&D Group (I)	59.0m (55.4m)	3.692m (2.783m)	5.6p (5.1p)	1.5p (1.5p)	11 01 99	02
Delgate (I)	1,122m (1,175m)	67.5m (67.4m)	21.7p (21.3p)	7.9p (7.5p)	05 01 99	30 11 98
Wardle Stores (I)	115.32m (112.58m)	15.7m (14.7m)	47.5p (32.5p)	22.0p (20.5p)	06 01 99	23 11 98
Workspace Group (I)	5.48m (4.59m)	1.74m (1.15m)	8.0p (5.7p)	0.0p	01 02 99	04 01 99

(I) - Final (I) - Interim (I) - Quarterly (I) - Split Period (I) - Nine Months "Current and previous figs. are operating profit"

TENDER OFFER BY UK ESTATES PLC

(the "Company") to repurchase through stockbrokers Asaite & Partners Limited by means of a fixed price tender offer, up to 1,157,497 ordinary shares of 10p each ("Ordinary Shares") in the Company (the "Tender Offer").

The Tender Offer is open to shareholders on the Company's register at the close of business on Friday 13 November 1998 ("Qualifying Shareholders"), and will close at 3.00pm on Tuesday 24 November 1998.

Summary of terms and conditions of the Tender Offer

Under the Tender Offer, each Qualifying Shareholder is invited to sell to the Company up to the first 2.836 per cent of their holding of Ordinary Shares. To the extent that Qualifying Shareholders tender less than their full entitlement of 2.836 per cent, Asaite & Partners Limited will purchase additional Ordinary Shares from those Qualifying Shareholders who have tendered in excess of 2.836 per cent of their holdings of Ordinary Shares. The additional purchases from Qualifying Shareholders who tender in excess of 2.836 per cent of their holding of Ordinary Shares will be made on a basis pro rata to the aggregate excess number of Ordinary Shares which Qualifying Shareholders have indicated they wish to sell in their respective tender offer forms ("Offer Forms").

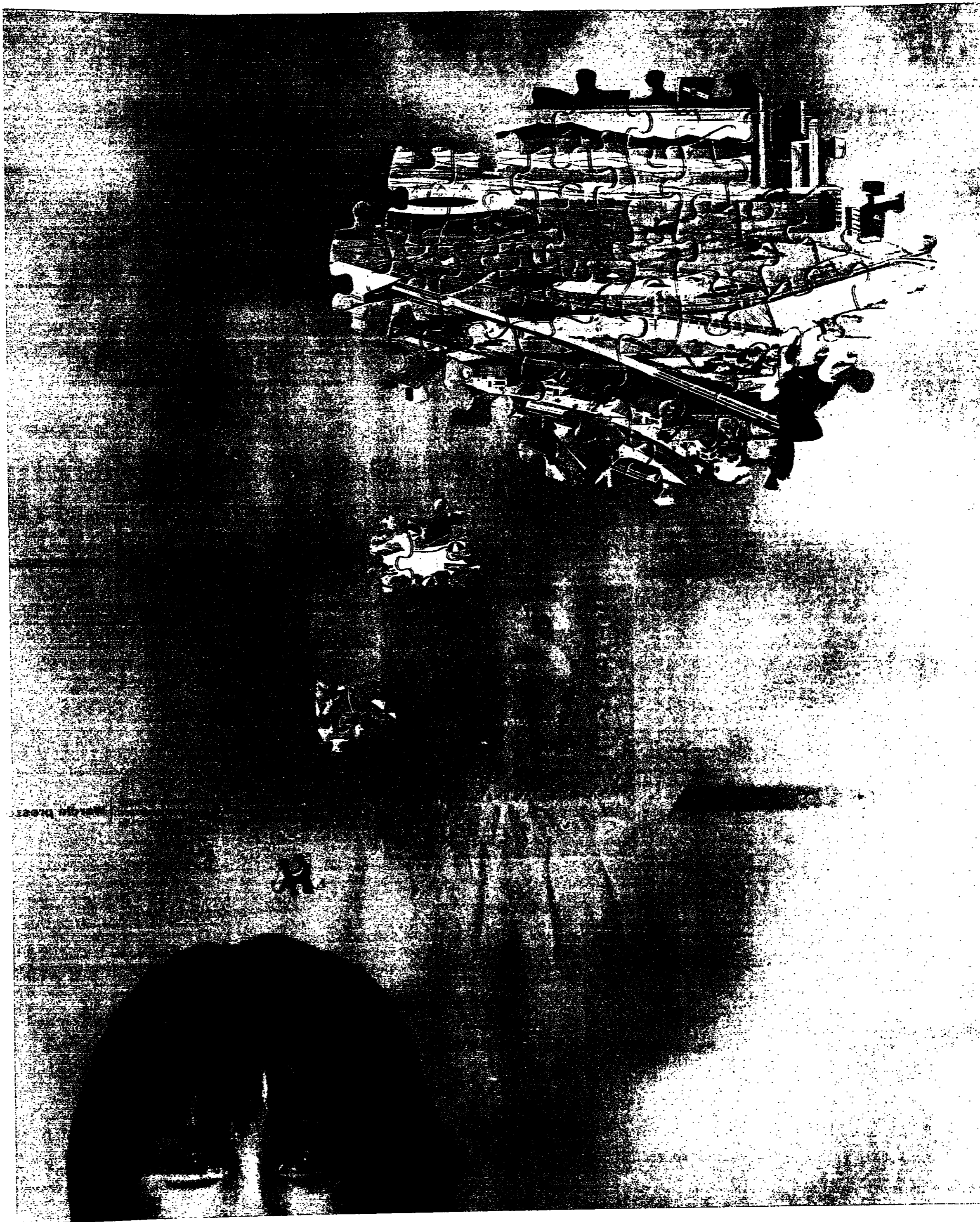
The Tender Offer is conditional on the receipt of tenders in respect of 40,808 Ordinary Shares (representing 1% of the ordinary share capital of the Company). If tenders for less than that number of Ordinary Shares are received, the Tender Offer will be null and void. Subject to the aforementioned, the Tender Offer is irrevocable.

This is a summary of the terms and conditions of the Tender Offer, full details of which are contained in the circular to shareholders of the Company dated 17 November 1998 (the "Circular") and the accompanying announcement ("Announcement") and Offer Forms.

Procedure for tendering

The Circular together with copies of the Announcement and the Offer Form have been posted by the Company to registered holders of Ordinary Shares. Qualifying Shareholders wishing to tender Ordinary Shares should lodge their duly completed Offer Forms together with their share certificates and/or other documents of title, by post with Lloyds Bank Registrars, The Causeway, Worthing, West Sussex, BN99 6DA, so as to arrive not later than 3.00pm on Tuesday 24 November 1998. Copies of the Circular may be obtained from Lloyds Bank Registrars at the above address.

17 November 1998



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Imagine a world where city planning actually improves the quality of people's lives.

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Every year, our construction companies manage over 100,000 sites around the world. Recent projects include the Stade de France on the outskirts of Paris, Cairo's new rapid transit system and the Vasco da Gama bridge in Lisbon.

We have also become a major player in the field

of communications, providing easy access to mobile phone networks, the Internet and digital media.

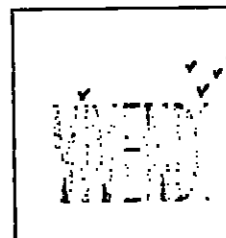
Reading this, you might deduce that such wide-ranging activities are commensurate with considerable financial growth.

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MARKET REPORT

DEREK
PAIN

Emap

by hopes of yet lower US interest rates, rose 47.3 points to 5,510.5p; at one time it was up 77.5. Supporting

Asda, the superstores chain, fell

Marston Thompson & Evershed, the Pedigree brewer, ended

Elsewhere on the bid front Abacus Recruitment, recently the

Unigate's disappointing performance lowered the shares 21.5p to 602p and took the edge off of other

SEAG VOLUME: 672 million
SEAG TRADES: 63,865
GILTS INDEX: 112.01 + 0.10

INVESTMENT

EDITED BY PETER THAL LARSEN

EMAP: AT A GLANCE

Market value: £2.27bn, share price 1081p (-29p)

Trading record	1996	1997	1998	1997	1998
	Full year to 31 March			Half year to 30 Sep	
Turnover (£m)	705	768	773	376	410
Pre-tax profits (£m)	78	235	142	47.4	66.4
Earnings per share (p)	24.5	80.4	45.7	12.2	21.0
Dividends per share (p)	11.2	13.0	15.0	5.0	5.7

Revenue growth, %

Category	Revenue growth, %
Advertising	10
Circulation	5
Events	25
Other	15
Total	5

Share price, pence

Year	Share price, pence
1993	400
1994	500
1995	700
1996	800
1997	1000
1998	1300

Source: Deustream

more successful ones into the U.S. The group's radio division, which is **straining against ownership rules in**

RATES		
1 month	3 month	D-Mark Spot
0.5971	0.5984	UK Base
		France

INTEREST RATES			
7.5%	Germany Discount	2.50%	US Prime
	Lombard		8.00%
	Credit	4.50%	Discount
			4.75%
			East Europe
			5.50%

Japan	Contract
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Mr de Savary will return to the UK next Monday for a slightly less glamorous meeting - with Penwith

says that "we've kept on half a dozen men on a care and maintenance basis to keep the company ticking over".

Vaux's advisers, Noble Grossart and BT Alex Brown, expect to announce the winning bidder for the brewer business in mid-December.

Country	Steering Stop	1 month	3 month	D
UK	1,000.0			0.0
Australia	2,762.2	2,622.0	2,617.5	0.0
New Zealand	18,693.9	19,657.9	19,808.7	11.0
Belgium	37,731.7	37,532.3	37,545.8	11.0
France	10,544.0	10,518.1	10,578.6	11.0
Denmark	10,544.0	10,518.1	10,578.6	11.0
Sweden	10,544.0	10,518.1	10,578.6	11.0
Finland	8,513.3	8,687.0	8,543.4	5.0
France	9,385.9	9,356.6	9,307.0	5.0
Germany	4,711.26	4,721.81	4,706.1	2.0
Greece	4,711.26	4,721.81	4,706.1	2.0
Hong Kong	1,273.0	1,162.0	1,190.1	14.0
Italy	2,769.8	2,762.6	2,747.6	14.0
Japan	6,376.3	6,303.5	6,456.5	3.0
Malaysia	6,376.3	6,303.5	6,456.5	3.0
Mexico	3,619.6	3,143.3	3,172.8	15.0
Netherlands	3,115.7	3,115.7	3,115.7	15.0
New Zealand	3,115.7	3,115.7	3,115.7	15.0
Portugal	267.05	266.17	268.68	7.0
South Africa	6,376.3	6,303.5	6,456.5	3.0
Spain	6,376.3	6,303.5	6,456.5	3.0
Switzerland	1,677.5	1,677.5	1,677.5	1.0

RATES		D-Mark		UK	
1 month	3 month	Spot	3 month	Base	3 month
0.5971	0.5984	0.3572	0.3572	Base	0.3572
1.1738	1.1734	0.7057	0.7057	Invention	0.7057
1.5512	1.5507	0.9256	0.9256	Italy	0.9256
6.3406	6.3300	3.8024	3.8024	Netherlands	3.8024
5.0102	5.0102	0.6717	0.6717	Spain	0.6717
2.0680	2.0526	3.0401	3.0401	Switzerland	3.0401
1.1847	1.1842	0.6717	0.6717	Denmark	0.6717
1.6662	1.6651	1.0000	1.0000	France	1.0000
282.33	284.84	168.38	168.38	Germany	168.38
1.4897	1.4897	0.8940	0.8940	Australia	0.8940
1.1938	1.1938	0.7187	0.7187	Belgium	0.7187
3.8683	3.8615	2.4777	2.4777	Canada	2.4777
1.8762	1.8762	1.2774	1.2774	France	1.2774
1.7490	1.7490	0.4714	0.4714	Germany	0.4714
70.88	70.53	102.94	102.94	Japan	102.94
1.624	1.624	0.9729	0.9729	Netherlands	0.9729
1.624	1.624	0.9729	0.9729	Sweden	0.9729
0.9226	0.9226	85.024	85.024	Switzerland	85.024
1.3689	1.3689	0.5233	0.5233	US	0.5233

INTEREST RATES						
75%	Germany	Discount	2.50%	US	Prime	8.00%
75%	Canada	Discount	4.50%	US	Discount	4.75%
30%	Canada	Prime	7.00%	Fund	Fund	5.63%
0.00%	Prime	Discount	5.00%	Spain	Repo	3.50%
0.00%	Denmark	Discount	7.50%	Sweden	Repo	3.50%
30%	Discount			Repo(Avg)	3.85%	5.50%
BOND YIELDS						
h	g	1 yr	chg	2 yr	chg	5 yr
0.01	4.67	0.00	4.63	0.01	4.86	
0.02	3.97	0.00	3.97	0.01	4.16	
0.02	4.99	0.03	4.85	0.03	4.99	
0.00	3.50	0.00	3.52	0.08	3.79	
0.00	3.75	0.00	3.75	0.00	3.75	
0.00	3.55	0.01	3.46	0.02	3.79	
0.00	3.75	0.00	3.75	0.00	3.75	
0.00	0.17	0.01	0.23	0.01	0.23	
0.00	3.52	0.00	3.60	0.02	3.56	
0.00	3.75	0.00	3.75	0.00	3.75	
-0.01	3.78	0.01	3.85	0.01	4.14	
-0.09	1.65	0.03	1.52	-0.01	1.90	
-0.03	6.44	0.00	6.44	0.00	6.44	
	4.34		4.57		4.55	
BOND YIELD RATES						

Japan			
Discount			0.50%
Germany			
Discount			2.75%
Central			3.30%
France			
Discount			1.00%
Lombard			3.25%
chg	10 yr	chg	
98	5.16	0.03	
99	5.18	0.02	
00	5.18	0.04	
01	5.18	0.02	
02	4.33	0.02	
00	4.21	0.01	
01	4.46	0.01	
01	0.87	0.03	
02	4.38	0.02	
03	4.44	0.01	
03	4.64	0.02	
04	4.64	0.02	
05	4.96	0.02	
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FINANCIAL FIELDS				
Settlement		High	Low	Est. Floor
11:15	115.30	114.84	29435.00	
107.63	...	...	...
112.34	...	...	...
110.58	110.85	110.30	15477.00	
138.77	138.77	138.77	5785.00	
93.18	93.18	93.18	10858.00	
93.68	93.69	93.64	16715.00	
96.37	96.37	96.34	37274.00	
96.28	96.28	96.24	5369.00	
96.33	96.33	96.27	5785.00	
99.42	99.42	99.27	2921.00	
99.48	99.48	99.37	6225.00	
96.10	96.10	96.34	256.00	
96.34	96.34	96.34	20382.00	
5548.00	5590.00	5520.00	20382.00	
FTSE 100 INDEX OPTION				
Imp Vol	Call	Put	Call	Put
36	429	95	46	158
34	392	99	477	166
35	429	95	46	158
37	319	125	403	191

[illegible][illegible]

Country	Sterling	Dollar	Country
Argentina	1,677.5	1,000.0	Oman
Brazil	1,996.9	1,190.4	Pakistan
China	13,886	8,277.8	Philippines
Czech Rep	50,057	29,840	Poland
Egypt	5,734.6	3,410.7	Qatar
Ghana	3925.4	2,166.0	Russia
Hungary	362.34	42,350	South Africa
India	71,042	7700.0	Thailand
Indonesia	12916.8	0.3037	Turkey
Kuwait	0.5085	85,000	UAE
Nigeria	142.59		

STERLING	DOLLAR	MARK
0.6458	0.3850	Treasury Bills
84.462	50.350	LIBOR
67,100	40,000	Domestic Dep
5.7597	3.4335	Euroswearing D
6.1053	3.6395	Eligible Bank I
31537.0	18800.0	Sterling CDs
2208.1	1316.30	Eurodollar D1
54.655	32.581	ECU Deposits
61.262	36.520	
494946	295050	
6.1620	3.6733	

Overnight Bid Offer	1 week Bid Offer	1 month Bid Offer	3 months Bid Offer
		6.60 6.50	6.45 6.30
6.88 7.00	6.88 7.00	6.91 6.97	6.88 6.94
6.88 7.00	6.88 7.00	6.97 7.03	6.91 6.97
		6.65 6.55	6.55 6.45
		6.94 6.96	6.80 6.82
		5.19	5.31
		3.88 4.00	3.25 3.88

omberg.com/uk **Source:**

6 months	1 year	
Bid	Offer	Bid Offer
6.66	6.72	6.416.47
6.66	6.72	6.416.47
6.30	6.20	
6.63	6.53	6.356.25
5.09		
3.32	3.72	

Bloomberg

Blent Crude (Schwabel) G
 WPE Last* Chg Vol #
 Dec 12.44 0.0321167 0
 Jan 12.14-0.2019410 Dec
 Feb 12.46-0.28 4393 Jan

GOLDMAN S.

BASE RATE

Index 1970=100
 Agricultural 1970=100
 Energy 1983=100
 Ind Metals 1977=100
 Livestock 1970=100
 Prec Metals 1973=100

oil\$/tonne)	WTI Crude(\$/barrel)	Products
Close Chg Vol	Nymex Last Chg	Spxoc CIF
08.75-0.60 5893	Jan 13.17 -0.42	Gulf Coast 95
08.25-0.50 7124	Jan 13.44 -0.36	Naphtha
12.25-0.60 4919	Feb 13.68 -0.31	Gasoil
	Mar 13.92 -0.26	Fuel Oil (\$/

LAST	CHG	%CHG	31 DEC %
143.33	-5.82	-3.90	215.26
191.08	-4.54	-2.32	231.23
49.47	-2.46	-4.73	85.86
135.94	-0.69	-0.51	168.79
143.53	-10.65	-6.90	191.03
387.48	-3.77	-0.96	463.54

Vol:	0	Vol:	0	Vol:	0
Dec98	243.20	Nov98	973.00	Nov	973.00
Mar99	244.50	Dec98	980.00	Jan	980.00
May99	243.60	Jan99	988.00	Feb	988.00

OTHER	
Dec	Line Cattle (CME) 5/40K lb 67
Feb	Pork Bellies (CME) 5/40K lb 116
Jan	Orange Juice (CME) 5/15A lb 116
Nov	Milk (CME) 5/50K lb 116
Dec	Oats (CBOT) 5/5R bush 112
Jan	Flax (MCE) 5/20 m 338

	0	Vol:	0	Vol:	0
98	78.75	Dec88	220.00	Nov98	66.00
99	80.10	Mar89	231.00	Jan99	42.60
99	82.00	May99	238.50	Mar99	68.00

SPOTS AT 5:30PM					
98	Dec	White Muzzle	(SAF)	\$100 mt	608.00
95	Apr	Rubber	(TCM)	\$ 50 lb	39.50
90	Dec	Cotton	(CTN)	\$ 25 lb	66.25
90	Nov	Cocoa Palm	(MLC)	\$ 25 tn	2362.00
90	Dec	Soya Oil	(CBT)	\$ 60 lb	24.65
90	Apr	Woolen Yarn	(TCM)	\$ 500-g	1165.00

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Henry WC

1

SPORT

Family dominate Hamed struggle

Frank Warren and Brendan Ingle face an uphill fight in the battle to control the future of Naseem Hamed. By Glyn Leach

AS THE power struggle surrounding Naseem Hamed approaches its acrimonious conclusion, the words spoken by the World Boxing Organisation champion's older brother, Nabeel, at the end of last year have taken on a prophetic tone. In an interview with the author Nick Pitt for the book *The Paddy and the Prince*, 28-year-old Nabeel, then the manager of his brother's fan club, said: "A lot of people laugh when they hear we're building an empire but it's better for us if they do. Wait and see."

Nabeel and the eldest Hamed brother, 29-year-old Riath (until recently Hamed's business manager), have long ceased being a joke to their rivals. Respectively the promotions director and managing director ("we've given ourselves new job titles," said Riath) of Prince Naseem Enterprises - offshore bank accounts and all - the brothers have become increasingly influential, to the point where, now, total autonomy is within their grasp.

Plainly changes need to be made. The fighter's career hit an all-time low at the end of last month in Atlantic City. The terrible atmosphere surrounding Hamed's four points victory over Wayne McCullough has been reported extensively. And the general consensus reached by the bulk of the media is that the champion and his handwagon have gone off the rails.

Where, one gets the impression, journalism would be quite happy to let it stay and rot. The bulk of the criticism for the unedifying events in the seedy East Coast gambling centre has been levelled at Hamed himself. But the growing proliferation of factions seeking to control the champion created a tension that could only result in an explosion. Something had to give, and it was Hamed, who for so long had represented the calm at the eye of the storm that has grown proportionately with his wealth, now estimated to be in the region of £15m.

This remarkably self-possessed young man had, somehow, appeared able to operate comfortably within the paranoid environment created by the warring parties. But in Atlantic City, for the first time in 31 undefeated fights, Hamed's level of performance suffered. Although winning comfortably against McCullough, Hamed's showing was widely castigated as his worst ever.

The backstage battles had led the champion to the crossroads: defeat - and all its repercussions - was becoming a distinct possibility for the world's dominant featherweight. And those who sought to control his career realised that they had to re-

solve their situations fast, while there was still a career left for them to squabble over.

Within the next two weeks, the power struggle will be decided and the Hamed family axis are favourites to finish in front of Brendan Ingle and Frank Warren, the men who respectively taught and promoted Naseem into a position of worldwide prominence.

Warren's promotional contract with Hamed has expired, bringing speculation that his five-year association with the 24-year-old boxer, is about to end. Manager/trainer Ingle has already been marginalised following unflattering revelations about the fighter in Pitt's book.

Hamed is due to return from holiday in Florida within the next few days and, when Riath returns from his own break in Cyprus next week, negotiations are set to take place with Warren, whose uncharacteristic "no comment" stance suggests that he fears the worst.

Ingle, whose role has been systematically eroded since the Hamed family first became involved in Naseem's career four years ago, has announced that his loyalty lies with Warren and not the boxer through whom he has become a millionaire.

If Hamed splits with Warren, he does so with Ingle, too, says the trainer who recently has been referred to as a "Judas" by the fighter he discovered and nurtured.

Warren's association with Hamed began in 1994, at a time when Nabeel Hamed worked as a car mechanic and Riath was a community liaison officer in Sheffield. The fighter had previously been promoted by Barry Hearn and then Mickey Duff, but it was under Warren that Hamed's career took off: within a year, a prospect earning £25,000 per fight had turned into a world champion with purses in the £1m bracket. It was Warren who negotiated Hamed's £12m, six-fight deal with the American cable television network, Home Box Office.

Losing control of the jewel in his stable's crown would be a bitter blow to the promoter, whose much-publicised legal war with his former partner, Don King, stems directly from Warren's efforts to further Hamed's career in the United States. Warren felt that HBO were more able than King's exclusive TV outlet, Showtime, to "move" Hamed. And the evidence suggests he was correct. Indeed, it is difficult to spot where Warren may have made a wrong move in guiding Hamed's career.

But blood is thicker than water and Hamed the fighter has stated many times that the only people he trusts are his family. "Because the



Powerbrokers: Naseem Hamed (left) is moving closer to handing total autonomy to his family, including brother Riath (right); (below) happier days in close harmony with Frank Warren, whose promotional contract has expired Trevor Smith

promotions make so much money, we want a larger share," said Riath. "As Naz has to take all the risks and all the flak, the money should be more in Naz's favour. We're not saying that Naz has done it all by himself, but he is the one who takes all the risks and that should be reflected."

As outsiders, boxing powerbrokers with limited experience gained in only four years, there is a wholesale distrust of the Hamed clan. And any blame that was not heaped upon their brother's shoulders for the goings-on in Atlantic City was, by and large, apportioned to them.

"I know that in everyone's eyes we're playing a very dangerous game, but we have to act in Naz's best interests," said Riath. "And after Atlantic City we realise exactly what we're up against. We're challenging the status quo, and there are people - including a large proportion of the media, who are hell-bent on protecting it. I believe that the press coverage of my brother's last fight was completely orchestrated, 100 per cent."

"But the time has come for people to stop pointing the finger and blaming all and sundry for what went on. We must move on, for Naz's sake. We still want to work with Mr War-

ren out of loyalty and respect. But we now have no contractual relationship with any promoter in the world. We now have all the worldwide rights to my brother's career and we don't see why Naz should not be getting the bulk of the financial rewards."

Whether Warren will be happy with the share he is likely to be offered remains to be seen, but the fact remains that having even one finger in the lucrative Hamed pie beats having none at all. Ingle has already faced this choice: relegated to the role of "corner adviser" for the McCullough fight, where his advice was steadfastly and studiously ignored, Ingle appears to have accepted what has been offered for the sake of the careers of his sons, John and Dominic, who are now installed as Hamed's official trainers.

As he walked alone on the Atlantic City Boardwalk, Ingle had the forlorn look of a man who has created a monster. Every action, every word or gesture, seemed to suggest he was asking himself: "Is it worth the hassle?" And at some time that thought that must have crossed the minds of everyone involved in this sorry saga, family or otherwise.

Glyn Leach is the editor of *Boxing Monthly*



Falcons' message is 'we are for real'

AMERICAN FOOTBALL

BY NICK HALLING

IN THE 33-year history of the Atlanta Falcons, there has been little cause for celebration. They have won just one divisional title, back in 1980, and have never been a serious Super Bowl contender. On Sunday, however, the Falcons served notice that their time as one of the league's perennial losers could be over following their convincing 31-19 triumph over the San Francisco 49ers.

The win, their eighth of the year, gives the Falcons leadership of the NFC Western division, but perhaps more importantly confirms that the team's recent good run is no accident. The 49ers had won 11 of the last 13 meetings between the two sides, but they never held a lead in the game and, apart from a brief late scare, the Falcons were always in control.

"We not only wanted to win this game, we wanted to send a statement to the rest of the league, let everyone know we are for real," said the Falcons' linebacker Jessie Tuggle. With a relatively easy schedule to come, the Falcons are not only for real, they have become realistic Super Bowl contenders.

Chris Chandler, the Falcons' quarterback, enjoyed an efficient outing, supported by 100 rushing yards and two touchdowns from running back Jamal Anderson. The key to the victory, however, was Atlanta's opportunistic defence, which forced two crucial turnovers in the second half.

Ray Buchanan intercepted a pass from Steve Young, the 49ers' quarterback, returning it to the one-yard line and setting up Anderson's second scoring run. Then, on San Francisco's next possession, Young fumbled, with the ball eventually being recovered in the end zone by Tuggle for another touchdown.

There were some anxious moments as Young fired long touchdown passes to Terrell Owens and Jerry Rice to reduce the deficit to five points, but Chandler's 78-yard strike to Terrence Mathis calmed the nerves and confirmed Atlanta's 15th win in their last 18 games.

The Oakland Raiders also look set for the play-offs following their hard-earned 20-17 victory over the Seattle Seahawks. Greg Davis won the game on a 37-yard field goal with just 21 seconds remaining, but the most significant contribution came from Desmond Howard, who returned a punt for 63 yards for a touchdown late in the first half.

It was Howard's first touchdown since scoring for the Green Bay Packers against the New England Patriots in the Super Bowl two seasons ago, a performance which earned him Most Valuable Player honours. Following that game, he was awarded a four-year, \$6m (£3.6m) deal by the Raiders, but had done little to justify the investment in the interim. "It's probably been the most frustrating time of my life," he admitted. "But you realise this game is full of peaks and valleys. You have to keep plugging away and your just due will come."

No problems for the Packers, who disposed of New York Giants 37-3. The game will be remembered only by Brett Favre, the Packers' quarterback, who threw his 200th touchdown, passing the 25,000 career passing mark along the way. Running back Darick Holmes became the first Packer this season to rush for more than 100 yards in a game.

Things are starting to look brighter for Peyton Manning, the Indianapolis Colts' quarterback. Manning led his team to a 24-23 win over the New York Jets when he threw a 14-yard pass to Marcus Pollard with 24 seconds remaining.

NFL results, Digest, page 31

Henry worked wonders with material already to hand

IT WAS a matter of good luck and nothing else that last week, in relation to Wales' chances against South Africa, I confined myself to the reflection that Graham Henry must wish he had as great resources at his disposal as Clive Woodward. I think this must still be so, despite Wales' colossal performance at Wembley.

But if I had gone into the predictions business more wholeheartedly I should not have written that Wales would be drawing or in the lead until 10 minutes before full-time - or that their losing margin would be only eight points. I should have said that 23 points would be a moral victory and 30 points respectable, in view of the South Africans' 83 points margin six months ago and their position as the leading side in the world. I should have gone on to write that

the Wembley match was the worst imaginable introduction to Wales' preparations for both the Five Nations' Championship and the World Cup - that, far from learning from an accomplished opposition, they ran the risk of becoming, in the language of my native land, *danio*, which means slightly more than "daunted", carrying as it does overtones of helplessness, depression and defeat.

And I should have been wrong. A good deal can happen between now and February, when the Five Nations begins. But if the bookmakers persist in their normal practice of making France or England favourites (England are consistently poor value) and Wales third at generous odds, they may be worth what the bookies like to call an investment. They may also perform better

than expected on their home ground in the World Cup, always assuming that the stadium is ready on time. An architect friend of mine, who has nothing to do with the project, but happened to be in Cardiff the other day, told me the schedule was clearly very tight.

It is worth noting that Henry worked his wonders with material which was already to hand and had mostly, indeed, been around the place a long time. The one complete newcomer was the New Zealander Shane Howarth, he of the convenient granny, who is about as Welsh as my Islington-born pussycat. But I do not want to spoil the party, not at this stage anyway. Apart from one initial handling error, he had a marvellous match.

The only other two new faces



ALAN WATKINS

were Chris Wyatt and the already capped Chris Anthony, the latter a substitute for the injured David Young. Young will presumably return in due course, as will Allan Bateman in the centre, well though their replacements, respectively

Anthony and Mark Taylor, played on Saturday.

To the *oficiomado*, indeed, the revelation was how well the front row stood up to the formidable South African trio. The penalty try awarded against them did not seem to me to be the correct legal consequence of the offence - if offence there was. It was an eccentric award even by the standards of a punishment that has grown quite out of control. The Welsh trio appeared to be openly disengaging and asking for a new scrum. The referee could simply have awarded one and allowed the game to continue.

But to those who gain their impressions from more obvious sources the revelation was the Quinnell brothers. To me, however, it was not a revelation at all. For years now,

ever since Scott returned from Wigan and Craig left school, I have been urging successive selectors to include them both in any Welsh pack that is put on the field with any serious hope of winning a match.

I told them, but they wouldn't listen. I was informed that I did not understand the finer points of modern forward play.

They were, or so I was instructed, too fat, not fit enough. Scott could operate sporadically, in bursts. He did not give 100 per cent for the whole of a match. Craig had similar tendencies, and laboured under the additional disadvantage of not understanding the line-out properly. I had seen them play for Richmond, had I?

Ah well. England and France, to say nothing of South Africa and

New Zealand, were different from Newcastle and Saracens.

Today I feel vindicated: likewise in my belief in Colin Charvis. Contrary to what I read somewhere, he was not a previously insignificant or unknown player. He first came to prominence playing for Wales on the open side, before Gwyn Jones' tragic injury but when Jones was nevertheless unavailable. He was unlucky not to go to South Africa with the Lions.

Henry had the wit to play him at No 6, clearly his best position, and to produce a pack which contrived not only to be heavier than the South Africans' but also to possess, in Martyn Williams, a genuine No 7. Whatever happens next, Graham Henry has done enough to be awarded the freedom of Cardiff.

International: England coach's admiration of substitute centre-forward started with a smack in the face and has grown

Dublin talks Hoddle's language

Hendrie accent on local loyalties

England's latest
prodigy was never
going to follow
family traditions.

By Adam Szreter

BY CLIVE WHITE

DION DUBLIN has scored a few goals in his career but it was more of an own goal that first left its mark on the England coach. Asked whether there was any time when he viewed the Aston Villa striker as just a big target man, Glenn Hoddle smartly replied: "Yeah, when he put an elbow straight in my face while I was playing for Swindon against Cambridge."

While his experience with Chris Sutton might suggest otherwise, Hoddle has evidently not held any grudge against Dublin because he is almost certain to award him his fourth cap tomorrow when he is expected to lead England's attack against the Czech Republic in the absence of Alan Shearer, Michael Owen and Teddy Sheringham.

Dublin has come on somewhat since those up-and-at-tem days of John Beck at Cambridge, maturing into a striker who has a lot more going for him than just size and the occasional errant elbow. "They were a bit physical in those days, Cambridge, as I recall," Hoddle said. "You couldn't tell whether his touch was any good because the ball was always in the air, but if he'd played for a footballing team who wanted to get it down and play, I'm sure he could have done."

Clearly, in the absence of Shearer, his captain, and Tony Adams, Hoddle will be looking to Dublin to talk a good game as well as play one, and in that respect, at least, he can be relied upon not to fail Hoddle. A strong character, Dublin's influence on the Coventry team in recent seasons has been monumental, and after just a fortnight at Villa Park it is evident that his contribution to the Premiership leaders will also go beyond being a prolific striker, if the response from the enigmatic Stan Collymore is anything to go by.

"You've got a centre-forward who talks like a centre-half, because he's played there a few times," Hoddle said. "He organises people. He listens off the pitch, he wants to learn. I can see him possibly going into coaching or being a manager himself. He's got that sort of head."

In fact, that could be Hoddle's secret weapon against



Out of the shadows: Lee Hendrie and Dion Dublin (right), Aston Villa team-mates, relax at England's training session at Bisham yesterday

Peter Jay

the Czechs; in the absence of pace (Owen) and strength (Shearer), the England coach is endeavouring to talk the opposition to death. Dublin is expected to line-up alongside a compulsive chatterbox with whom he admits even he cannot get a word in edgewise - the TV chat show host-cum footballer, Ian Wright.

"I try to be like him but he always takes centre stage, he is always the voice you can hear," Dublin said. "I hope to be like Ian Wright when I'm his age (35). His mentality and fitness is brilliant. My being a little younger (Dublin is 29) than

him, he's one of the players you look up to. You need players like that around the place to keep the lads smiling all the time. If you don't have a particularly good training session, he'll be there at your shoulder having a bit of a laugh with you."

They complement each other rather well; Wright the late starter, and Dublin the late developer. An overnight success in 10 years is how one might describe the Leicester-born Dublin. He started out as a packer in a hosiery factory earning £90 a week - "I remember it clear as day" - before his brother's friend, the former

England Under-21 winger Dale Gordon, got him a trial at Norwich. He eventually moved on to Cambridge where for a time he was loaned out to King's Lynn in the Beazer Homes League, playing before crowds of 400 - "if we were lucky".

Chris Turner gave him his League chance at Cambridge before Beck took over imposing his unorthodox but highly successful coaching methods on impressionable young players like Dublin. He has no regrets about his humble origins and, in fact, one suspects he is rather proud of them. "It's good to sample all the wars of football," he

said. "I've been in the Fourth Division, the Third, the Second, the Premier and now I'm here today. I think it's good to experience all the different standards of football. It makes you appreciate what you've got."

Dreams of playing for England then must have been a bit fanciful, but not a bit of it, said Dublin. "I've always dreamed of playing for England having a No 9 shirt on one day," he said with genuine sincerity. Missing the cut in England's World Cup squad of 30 was "hard to handle", although according to Hoddle he handled it "like a man".

"Yeah, but as soon as he left the room I cried," Dublin half-joked. "The disappointment was with me probably right up until the first game in Marseilles when I saw the boys walk out - that was the hardest thing. But you've got to keep plugging away and that's what I've done."

It has taken Dublin a long time to lose that "big target man" tag and even Hoddle seemed to infer that the reason why Dublin did not go to France was because they were well catered for in that respect and needed players with pace. A couple of years ago, as Dublin

agreed, clubs seemed more interested in buying "quick, tricky foreigners". He said: "But I think you need to have a player like myself in your side that can help you out in other departments."

Wright may be a role model for Dublin but the West Ham striker, for his part, has also tried to copy one or two traits of his soon brother, like learning to play the "saxophone", just how successfully Dublin was not sure. "I haven't heard Wright play," he said, "but I've seen his sax and it looks a bit too nice and clean to me."

TO DESCRIBE Lee Hendrie as wide-eyed on his first day with the full England squad yesterday would be something of an understatement, but at least he has the pedigree to suggest that, once the novelty has worn off, one of Glenn Hoddle's newest recruits will be as much at home at Bisham Abbey as he is in midfield at Villa Park.

Father Paul, a Scotsman who began his career with Celtic, once wore the blue and white of Villa's arch rivals, Birmingham City, in the days when Trevor Francis used to destroy Villa almost single-handedly. Now he manages non-League Tamworth, who took Exeter City to the wire in the FA Cup first round at the weekend, while uncle John, another Scot, is manager of Barnsley.

There was a time when the representative future of Hendrie Jr was in some doubt, but with the kind of accent that has given Brummies a bad name ever since Crossroads plagued the television schedules, England were always favourites to benefit from the talents of the youngest member of this particular footballing dynasty.

"There was some talk that they [Scotland] were going to take me for a trial but I didn't take much notice of that," Hendrie said. "I always wanted to play for England."

Now, at 21 and barely a third of the way through his first full season in the Premiership, Hendrie has become the fourth player from the League leaders to infiltrate Hoddle's elite group, thanks in no small part to half a dozen excellent performances with the Under-21s and Villa's own success this season which has put him and his team-mates in the spotlight.

"The last 12 months have been a big turn-around for me," he admitted. Prior to John Gregory's arrival as Villa manager, Hendrie had been a peripheral figure as far as the first team was concerned.

"At that stage I was frustrated and didn't know where I stood," he said. "One week I was getting in the team but then the next I wasn't even on the substitutes' bench. It was a hard time for me."

"Brian Little didn't want to put me in with Villa down the bottom of the Premiership. He felt there would be a lot of pressure on me and that was fair enough. But I wanted to play and I thought I might have to move elsewhere. I thought I might have to go into a lower division."

Apart from his decision to throw Hendrie in at the deep end when he took over from Little, Gregory's inclination to choose English players has probably helped Hendrie's cause too, although the player himself insists that is more coincidence than policy. "It's nice to have an all-English team, but it's not really been a big issue in the dressing-room," he said.

The next logical step for Gregory, of course, would be a team full of Brummies with Hendrie, regarded as the best home-grown prospect since Gary Shaw, leading the way. But one battle he has yet to win is with the rest of his family, who remain staunchly blue and white despite Hendrie's exploits in the north of the city. "I used to support Birmingham as a youngster and I was with them as a schoolboy," he revealed.

"It came down to a choice between signing for them or Villa. I went to Villa at 15 and changed my allegiance, but all my family still support the Blues."

"I do get a bit of stick for it, but it's only friendly banter. At least I've got my man to change her colours now - I bought her a season ticket so she goes to the Blues one week and the Villa the next."

And if anyone can bridge the divide between the city's two warring factions, then the likeable Hendrie might just be the man.

McCarthy's early risers mostly intact Barry in a hurry to make big time

THERE WAS an early call for the Republic of Ireland's players yesterday, but none for Andy Townsend, their former captain. Townsend, who retired from international football last season, was prepared to return at short notice for tomorrow's important European Championship tie against Yugoslavia here if injuries severely depleted the squad at the weekend following the refusal of FIFA, world football's governing body, to implement their own rule that players should be released five days before a competitive international.

The Republic lost Ian Harte, the Leeds United full-back, but their manager, Mick McCarthy, insisted that the only alarm bells ringing in the camp were the ones that woke the players at their Dublin hotel for an 8am training session before departure for Belgrade.

Some Irish heroes of the past might not have returned from their night out by that hour. The present crop of eager

BY STEVE TONGUE
in Belgrade

beavers were all up and running post-haste at the Post House, except for Charlton's Mark Kinsella. Although unable to train, he said that a dead leg would not prevent him from turning out tomorrow, which killed any notion of calling Townsend.

On Saturday the two midfielders had been in direct opposition in the Charlton-Middlesbrough match, when 13

members of the Irish squad played for most of a game. It would have been more, but for Alex Ferguson's generous gesture in picking Roy Keane and Denis Irwin only as substitutes for Manchester United.

Tony Casciaro came unscathed through his French league match for Nancy only to be held up for five hours at Belgrade airport, when the authorities decided that visas issued for the original game were no longer valid.

"Our players are very competitive and the risk of picking up injuries was always there," McCarthy said. "It's compromised us in terms of preparation but now it's done with so we're just concentrating on the game. If we get anything out of it, it'll be a massive step towards qualifying. If you offered me a draw, I'd take it and go home. It's a big game."

It is one that the Irish approach in good heart, having followed victory in their opening match against Croatia with a 5-0 win over Malta, four days after the game in Belgrade was first scheduled.

That has put them on top of the table, with a game in hand on Croatia. Yugoslavia have yet to play and, according to Sasa Ilic, the Charlton goalkeeper expected to be among their substitutes, they are all the keener because of last month's postponement.

"The people in Belgrade are really up for this game and the atmosphere will be fantastic," he said. "The Irish team can expect something special. Ireland are a good side - what impresses me is their team spirit and togetherness. Yugoslavia probably have the better individuals and we must hope our players blend together."

Yugoslavia appear to have been canny about the Irish amid all the shenanigans with FIFA, football's world body, last week, calling the vast majority of their squad home before the clubs could claim them.

We will be top on six points with Finland and Turkey," he said. Newcastle's Aaron Hughes, who strained a calf muscle on Saturday, became the fourth player to pull out yesterday following the withdrawals of Kevin Horlock, Jim Whitney and George O'Boyle. The Under-21 captain, Danny Griffin, and Luton's Phil Gray are called up.

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Hughes to break pain barrier

MICHAEL HUGHES is prepared to play through the pain of a hernia problem for Northern Ireland in tomorrow's Euro 2000 qualifier against Moldova.

The Wimbledon winger's injury restricts his training and may ultimately require surgery but his willingness to appear is heartening news for Lawrie McMenemy. The Irish coach

anticipated Hughes would have to withdraw from the match at Windsor Park when he heard that he had been substituted against Chelsea on Saturday. Hughes did not train yesterday, but he has assured McMenemy he will play tomorrow.

"There is no way I would want to miss this game, because if we beat Moldova then

we will be top on six points with Finland and Turkey," he said.

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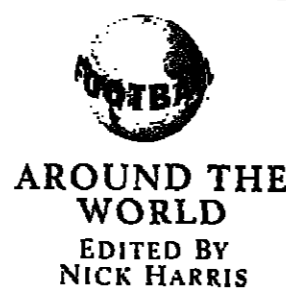
Nosy press cause Brazilian brawl

BRAZIL

RELATIONS BETWEEN footballers and the British press are occasionally less than cordial, but they would have to deteriorate some to match scenes witnessed at the weekend in the Brazilian championship quarter-final between Sport Recife and Santos.

Tempers flared after Recife, already two goals ahead, were awarded a controversial penalty. Santos players argued with the linesman but finally lost their tempers when a radio reporter held a microphone between them and the official to get a better idea of what was being said.

The striker Viola was then seen to lash out at a reporter, leading to a free-for-all involving Santos players, policemen wielding truncheons, more re-



porters and the Santos coach, Emerson Leon. The brawling lasted 20 minutes but was not the last controversial moment. The referee later appeared to award a goal-kick instead of a penalty and then changed his mind once again by awarding a penalty. At least events ended on a peaceful note. Recife ended up 3-1 winners and no one was sent off.

SPAIN

NANDO MUNOZ, an Espanyol defender, was as surprised as anyone when his shot midway through Sunday's game against Real Zaragoza put his side 2-0 ahead. He had gone 12 years and 246 games in the Spanish First Division without troubling the statisticians. The centre-back, who has played for Barcelona and Real Madrid, looked stunned upon scoring. "I'm very, very happy," he said after the game, which ended 3-0 to the visitors. "But I can't talk now. I'm waiting for a call from my family."

NETHERLANDS

JOHAN CRUYFF has launched his most virulent attack yet on his compatriot, the Barcelona coach, Louis van Gaal. Cruyff,

a former player and coach at Barcelona, made his latest criticisms in the wake of Barcelona's recent defeats in both the Spanish league to Oviedo and the Champions' League to Bayern Munich.

"It's a street without an end. Van Gaal does not know where he is going," Cruyff said. "Van Gaal has committed many errors not because he is stupid but because he does not know the club. He's lost the base I established and does not have the affection of the Catalan players."

"I am Dutch and I signed Koeman and Witschige but never in my life did I play six or seven Dutch players. [Van Gaal has six Dutch players in his first-team squad at the moment] You can imagine the outcry if eight Spaniards were to turn out for Ajax."

GERMANY

GERMAN PROFESSIONAL football players are too lazy, according to the Werder Bremen coach, Felix Magath. "In a free economy system, you will not find anybody who works three hours a day and earns millions," the former German international said last week.

Asked if he thought players should work a 40-hour week, he replied: "Why not? I have the feeling that players have an easy life. They must understand that we're permanently involved in a competition with the other clubs and that this competition is a tough one."

THAILAND

PETER WITHE, the ex-Aston Villa striker who is now coach of Thailand's national team,



Pachyderm liberates the ball at Thailand's Surin Elephant Round-up, an annual event where tourists marvel at the skill of the beasts and their riders AFP

has a huge responsibility in next month's Asian Games. He must restore the reputation of a team tarnished by the farcical international earlier this year when Thailand beat Indonesia in the Tiger Cup despite trying to lose to avoid having to play in Vietnam in the semi-final.

"With the help of the English coach I'm confident the Thai team will reach the final," Thawatchai Satchakul, the new team manager, has said. "The players have apologised to football fans for the past and promise to regain public faith and their reputation."

SPORT

HAMED'S NEW RINGMASTERS P27 • WHIPPING BOY MCCOY BANNED P28

Old but golden is Hoddle's outlook

GLENN HODDLE had no misgivings yesterday about sending in Dad's Army to do battle with the Czech Republic in tomorrow night's friendly at Wembley. A strike force with a combined age of 94 is being asked to succeed where even the dazzling young Michael Owen has failed this season - by putting a smile back on the face of English football following the grim start to the European Championship campaign.

Dion Dublin (aged 29), Ian Wright (35) and Paul Merson (30) are expected to lead England's attack in the absence of Alan Shearer, Teddy Sheringham and Owen. It had been hoped that Leicester City's 20-year-old Emile Heskey might bring the average age down to a less geriatric level but he is struggling with a hamstring injury which prevented him from training yesterday. If he plays at all, it will only be as a substitute probably late in the game.

Hoddle seemed to be expounding a variation to a theme: if they're old enough they're young enough. "It's not a problem for me if they're performing well - and they are," he said. "Ian Wright, for instance, was terrific on Saturday and as for Dion Dublin I saw him put in a marvellous performance down at Southampton. Those boys are keeping themselves fit and are in good habits - they're prolonging their careers."

There was clearly a hidden message here for the absent Paul Gascoigne, who is still recovering from a drink problem. As Hoddle added: "It's a good lesson for some of the youngsters who are coming through and certainly for the 27 to 28-year-olds - if you look after yourself you can prolong your career."

Hoddle felt that the change of club had helped all three, though I am not sure whether Messrs Robson and Strachan would agree with that, and after the way Arsenal have

FOOTBALL

BY CLIVE WHITE

struggled to score of late, perhaps Arsène Wenger, too. "There comes a time when you've been at a club for a long period when a change of club, a change of coach, even a change of supporters can be good for you. It probably comes at the best time when you're round about thirtyish, it can give an added spring to your step," Hoddle said.

"Another set of curtains open up when you get to that age, it did when I was a player. You're not in your prime, but the game becomes so much easier providing your legs and mind are still able."

The England coach refused to be drawn on the sending-off incident involving David Beckham at Old Trafford on Saturday. "I will talk to David about that privately," he said. "I'm sure it was David Beckham who'd got sent off [rather than Blackburn's Tim Sherwood] you would have been asking me about that, too. He has dealt with the spotlight as well as he could have done since the World Cup."

Hoddle said he did not think Beckham's apparent temperamental frailty had made him the target of opposing players trying to provoke him. "I've seen good performances from him and controlled performances at times that I like to see. But there's still an element to him that can improve on that side as well. But he's trying to deal with it."

Paul Scholes is another doubtful starter and though Merson, Wright and Jamie Redknapp all missed training yesterday, due to the weekend's exertions, they are expected to be fit. Gareth Southgate was not due to join up with the squad until last night because of a personal problem.

Dublin's mission page 30



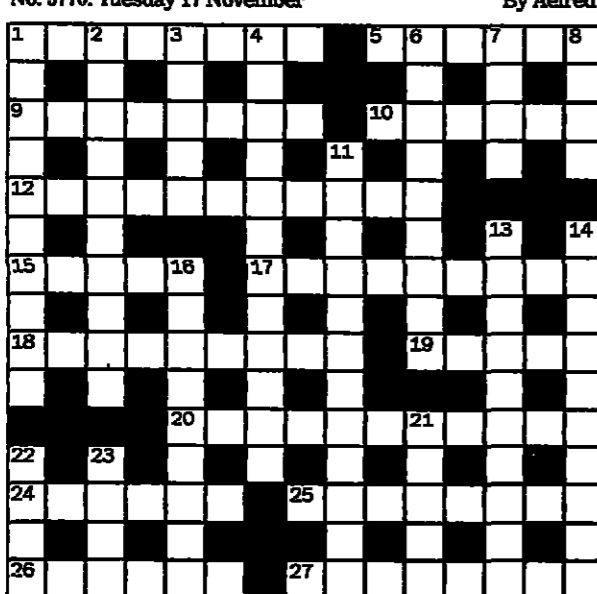
Nicky Butt leaps over Graeme Le Saux as England prepare at Bisham Abbey for tomorrow's friendly international with the Czech Republic

THE TUESDAY CROSSWORD

No. 3770, Tuesday 17 November

By Aelred

Monday's Solution



1 INCREASE 2 ISABEL 3 N A D U 4 C I E 5 FIREWORK 6 BUNGLE 7 A V I A 8 A B D 9 N A I N I 10 M M O L I N E 11 T U 12 G I O N N E 13 R I G H T T H I N K I N G 14 U 15 U T I T E 16 C O 17 H O R T I S E S H E L L 18 N U 19 Y 20 H Y D R A 21 S U A 22 R A L L 23 C O M B Y 24 D I V I D E N D 25 I P L A F F S E 26 A S H K E Y 27 C L E A N S E R

ACROSS

- 1 Having a position in the craft centre (8)
5 A fellow going with blonde? (6)
9 Extend replanting of glen subsequently (8)
10 Flier gets cheer drinking port (6)
12 Bridge player's current amount of port (11)
15 They could provide silver lining for one doctor in Ulster (5)
17 Limit of vision of mean cricketer (4,5)
18 What could be on Ben's nut when hot? (3,5)
19 Japanese-American returning with one eastern vice? (5)
20 One forced to have a row? (6,5)

DOWN

- 1 Shm smiles displaying stubborn nature (10)
2 One due to change intended not to keep a resolution (10)
3 Come out of your shell when taken in hand by old PM (5)
4 Supremely flamboyant in Inner Temple yard (3-9)
6 Fellow I call on unlisted

- 7 number is a bit cocky? (6,3)
8 American's all right in a frenzy (4)
9 Game editor gave indication of sorrow (4)
11 Take the display to be a success? (5,4)
13 Discouraging under-world USA characters flying to Jerusalem (10)
14 Canning about nuclear weapon in a harsh way (10)
16 In part of body one with carbon would not be such a compound (9)
21 Street charge leads to punishment (5)
22 Big money for the old in tax (4)
23 Founding hearts seen in one? (4)

United's Antwerp deal

MANCHESTER UNITED and Antwerp signed a "Memorandum of Co-operation" yesterday, committing the clubs to swap loan players on a regular basis.

United officials were quick to deny that the agreement amounts to a takeover, or that it would allow them to bring non-European Union players to England via the back door.

United's spokesman, Ken Ramsden, said: "We have simply come to an agreement with them whereby we can send players to play in their team and vice versa." United have already sent Danny Higginbotham, a reserve team player, to Belgium.

Talk that United will use the arrangement to sign non-EU players and allow them to gain Belgium citizenship, and there-

fore avoid the need for a work permit when they sign for United, was rejected by Ramsden.

United's manager, Alex Ferguson, denied that he is in the race to sign Aston Villa's goalkeeper, Mark Bosnich. The Australian international is out of contract at the end of the season, when Peter Schmeichel plans to leave Old Trafford. "We've shown absolutely no interest in Bosnich whatsoever," Ferguson said. "Because he's available for free at the end of the season and because he was once a player here, these stories grow."

The Football Association's chairman, Keith Wiseman, is to take legal action following a report about financial help for the Football Association of Wales. The FA chief, who recently

won the backing of Wales for his nomination by the British associations as a vice-president of world football's governing body Fifa, has defended himself in the wake of claims made against him in the *Mail on Sunday*. Wiseman intends to sue Associated Newspapers.

Tottenham's goalkeeper, Espen Baardsen, has become the first player to impress George Graham enough for the new Spurs manager to offer him a new contract. He is discussing a new five-year deal.

Andreas Köpke, the German international keeper, should complete his free transfer to Rangers within the next 24 hours subject to a medical, once his departure from Marseilles has been finalised.

Drunk attacks Crawley

CRICKET
BY MYLES HODGSON
in Cairns

THE ENGLAND batsman John Crawley was attacked in Cairns on Sunday night after an evening out with team-mates. The Lancashire player was set upon by an unknown assailant just after 11pm as he returned alone to the team's hotel after spending the evening socialising with England and Queensland players in the city centre.

Crawley was verbally abused and punched by the assailant, who was drunk, causing him to fall to the ground, sustaining cuts and bruises to his face.

Crawley did not attend yesterday's final day of England's tour match with Queensland,



Crawley: Cuts and bruises

which the tourists won by one wicket, but his injuries will not affect his contention for a Test place.

The tour manager, Graham Gooch, spoke to Crawley yesterday about the incident. After lengthy discussions, England have decided not to inform the

police and will not be taking further action.

Gooch said: "John was naturally upset by the matter, but other than the cuts and bruises to his face, he is fine and fully fit. We considered informing the police, but John is keen to put the matter behind him and concentrate on the forthcoming Test match."

Gooch added: "We would also like to place on record our thanks to the people of Cairns as, aside from this one unfortunate incident, we thoroughly enjoyed our stay there and received excellent hospitality."

England flew out of Cairns to Brisbane yesterday before the first Test, which starts on Friday, and will train at the Gabba for the first time this afternoon.

Croft the hero, page 29

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